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China

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PRC SIGNS UN CONVENTION AGAINST TORTURE

OW130202 Beijing XINHUA in English 0128 GMT 13 Dec 86

[Text] United Nations, December 12 (XINHUA) -- China's permanent representative to the U.N. Li Luye today signed the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment.

The convention, adopted by the U.N. General Assembly on December 10, 1984, proclaims that it is the obligation of states under the U.N. charter "to promote universal respect for, and observance of, human rights and fundamental freedoms" and to protect "all persons from being subjected to torture and other cruel, inhuman or degrading treatment or punishment."

So far, 56 countries have signed the convention, eight signatories have already ratified the document.

The convention will come into force thirty days after receiving notice from the U.N secretary-general of ratification by the twentieth state.

In a brief signing ceremony at the U.N. legal department today, Ambassador Li also expressed some reservations the Chinese Government holds on certain articles contained in the convention.

PRC RATIFIES UN CONVENTION ON SALE OF GOODS

OW121408 Beijing XINHUA in English 1201 GMT 12 Dec 86

[Text] United Nations, December 11 (XINHUA) -- China today officially notified the United Nations that it has ratified the U.N. Convention on Contracts For the International Sale of Goods.

Ambassador Huang Jiahua, China's deputy permanent representative to the United Nations, presented Carl Fleischhauer, under-secretary-general and legal counsel of the United Nations, with China's approval, signed by Chinese Foreign Minister Wu Xueqian.

Ambassador Huang called the convention "an important instrument for promoting international trade", and hoped that China could enjoy the benefit of the convention.

Representatives of Italy and the United States also gave Fleischhauer their governments' ratifications of the convention.

The ratification by China, Italy, the United States and eight other countries ensure that the convention will come into force January 1, 1988.

In a brief ceremony held in his office, Fleischhauer said it was "a historic day for the unification of international trade law."

"Today's events signal the success of over 50 years of work on the unification of the law of the international sale of goods," he said.

He said the fact that the convention won the support of such diverse and important states as China, Italy and the United States indicates that it will soon become law applicable to all contracts for the international sale of goods.

Work on the unification of the law governing the international sale of goods began as early as 1930 in Rome at the International Institute for the Unification of Private Law, more commonly known as UNIDROIT.

The first result of those efforts was the adoption of two conventions at The Hague in 1964. However, because the conventions were primarily the work of jurists from Europe, very few states jointed the conventions.

As a result, the United Nations Commission on International Trade Law decided in 1969 to set up a working group to revise the two conventions.

The commission completed drafting the U.N. Convention on Contracts For the International Sale of Goods in 1978 by merging the two Hague conventions. This draft was adopted at a diplomatic conference held in Vienna in 1980.

Representatives of the Chinese government took part in the 1980 conference and contributed to the formulation of the convention. China signed the convention in 1981.

The eight other states that have ratified the convention are Argentina, Egypt, France, Hungary, Lesotho, Syria, Yugoslavia, and Zambia.

LI XIANNIAN'S MESSAGE NOTES UNICEF ANNIVERSARY

OW120840 Beijing XINHUA Domestic Service in Chinese 1251 GMT 11 Dec 86

[Text] Beijing, 11 Dec (XINHUA) -- On behalf of the Chinese Government and people, President Li Xiannian sent a message to Mr James Grant, executive chairman of the United Nations Children's Fund [UNICEF], today to extend warm greetings to UNICEF on its 40th founding anniversary.

The message said: Over the past 4 decades, the UNICEF has made great efforts to help tens of thousands of mothers and children in dire peril and made active contributions to the safeguarding of children's legitimate rights and interests and to the advancement of undertakings for children. Its noble acts have received the broad support and appreciation from the governments and peoples of various countries.

President Li Xiannian said in the message: There is a good cooperative relationship between the Chinese Government and UNICEF, and we hope the relationship will be further strengthened and expanded. I wish to take this opportunity to reiterate the Chinese Government's support to UNICEF in promoting the development of health care, education, and welfare for children. I am convinced that UNICEF will achieve greater successes in its work.

ZHONGGUO TONGXUN SHE VIEWS SINO-SOVIET RELATIONS

HK140757 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1016 GMT 13 Dec 86

[Article by Bai Pula (4101 2528 2139): "The Future of Sino-Soviet Relations Is Being Sought in the Shadow of Recalling the Past"]

[Text] In 1986, looking at the big neighboring country in the north from a distance, the Chinese people have been lost in thought.

The smile from the other side of the border is obvious. Meanwhile, the Soviet Union has maintained its global strategy and continues to expand its military activities in the Pacific Ocean. For this reason, China insisted on its position declared early this year, i.e., the three obstacles to Sino-Soviet relations. Based on this position, China refused on 15 January to accept the proposal offered by the Soviet Union on concluding a mutual non-aggression treaty.

However, it is not a fast knot. People following with interest the relations between the two countries believe that both Moscow and Beijing, proceeding from their respective interests, have sought all-round contacts during the year. As pointed out by the commentators, seeking economic benefits and the difference in principled stands are sometimes two entirely different matters.

This has let to noticeable progress in the relations between the two countries.

A Favorable Turn With Profound Significance [subhead]

In July, the people of China and other countries noticed the call for reconciliation made by Gorbachev in Vladivistok. In his speech, Gorbachev said that the Soviet Union was willing to withdraw its troops from Mongolia and Afghanistan. These remarks were unprecedented.

At the ninth round of Sino-Soviet talks held in October, Moscow agreed for the first time to discuss the question put forward by Beijing on removing the three major obstacles, though no substantial progress was made on the Cambodia issue.

The concession made was quite obvious in Gorbachev's speech because he insisted that the improvement in Sino-Soviet relations should not harm the interests of a third nation. He said that this principle is "universally applicable."

As this is the first time Moscow has expressed its aspiration to seek a solution in compliance with the way designated by the Chinese people, the Chinese side responded quickly to the matter. During an interview with Wallace, a U.S. television reporter, on 2 September, Deng Xiaoping said that if the "main obstacle" to Sino-Soviet relations, namely, the Vietnam-Cambodia issue, can be removed, he is willing personally to meet Gorbachev in Moscow.

Perhaps these ingenious diplomatic moves are still far from the settlement of substantial issues. But they indicate that the curtain for the summit talks is being raised.

The Border Issue [subhead]

The concession made by the Soviet Union is also manifested on the border issue. In his Vladivostok speech, Gorbachev said that "the main channels of the rivers should be the boundary line" between China and the Soviet Union in northeast Asia.

Prior to that, Moscow insisted that the boundary line between China and the Soviet Union should be defined according to the banks of the Heilong Jiang and the Wusuli Jiang on the Chinese side. The new position indicates that the Soviet Union is willing to give up its territorial claim of Zhenbao Island. Zhenbao Island is located on the Chinese side of the Wusuli main channel. The ownership of the island once led to armed conflicts between the two countries.

Chinese Foreign Minister Wu Xueqian met with Soviet Foreign Minister Shevardnadze on 24 September in New York. Both sides reached an agreement on resuming the border talks in 1987. The upcoming resumption of Sino-Soviet border talks which have been suspended since 1978 shows that the relations between the two countries are tending to improve.

During this period, the media of other countries mentioned the armed conflict which took place at Sino-Soviet border in July. Both China and the Soviet Union dealt with the case in low tones, which indicated the tacit understanding between both sides on the border issue and that the incident was just an isolated case.

Trade and Economic Relations [subhead]

The efforts made by the two countries in the economics field started early this year. While the question of freight transportation for the next 5 years was discussed in Beijing in mid-January, both sides reached an agreement on resuming trade along the rivers and highways on the borders between the two countries. The agreement became effective from May this year.

At the first meeting of Sino-Soviet economic and trade cooperation committee held in March, both sides decided to increase the volume of trade from 1.9 billion in 1985 to 2.3 billion in 1986.

To expand Sino-Soviet trade, China acclerated the building of a 250-mile railway extending to the Soviet border.

Upgrading the Rank of Diplomatic Representatives [subhead]

The ranks of diplomatic representatives of the two countries have been upgraded quietly, partly because of the unilateral efforts of the Soviet Union. Former Soviet Ambassador to United Nations Oleg Troyanovskiy's appointment as Soviet ambassador to China is a typical example. The appointment actually upgrades the level of Soviet Embassy in Beijing.

Frequent diplomatic contacts lead to an increasing number of diplomatic affairs. As a result, both sides officially agreed in early June to the establishment of a Soviet consulate in Shanghai and a Chinese consulate in Leningrad.

The visit of Talyzin, first deputy chairman of the USSR Council of Ministers, to China in August helped to bring about a consular agreement between the two countries. The Soviet Union intended to establish consulates in Shenyang, Guangzhou, and Urumqi, while China intended to establish consulates in Kiev, Alma- Ata, and Khabarovsk.

In addition, the enthusiasm of the Soviet Union to improve relations is also manifested through a series of diplomatic activities: Arkhipov, Talyzin, and Kapitsa led delegations to visit China respectively in August and September. Among these leaders, Talyzin, first deputy chairman and alternate member of the Politburo, is the highest ranking Soviet official to visit China since 1969. Regarding the visits to China by Soviet leaders one after another, diplomatic figures hold that the Soviet Union has not in the slightest degree concealed its sense of urgency.

Meanwhile, the topics of diplomatic talks are also escalating. Soviet Embassy in Beijing verified that Soviet Deputy Foreign Minister Rogachev [5012 7559 1108] discussed the question of disarmament with Chinese officials. It is by no means accidental that the Soviet magazine NOVOYE VREMYA carried an article on 19 September speaking highly of China's stand on not conducting tests of atmospheric nuclear weapons as well as Zhao Ziyang's proposal made in March on signing an international agreement on total prohibition of space weapons.

Undoubtedly, the Soviet Union is trying to make use of Beijing's stand to serve its global affairs. Naturally, Moscow never mentioned a word of Zhao Ziyang's March speech regarding China's independent stand on disarmament.

Conclusion [subhead]

In an interview given to the head of the Mexican newspaper EXCELSIOR on 4 December, Zhao Ziyang reiterated China's stand on Sino-Soviet relations declared early this year. China believes that whether in the past, present, or in the future, the essential step should first be taken by the Soviet Union.

PRC COUNSUL IN LENGINGARD HOSTS RECEPTION

OW120731 Beijing in Russian to the USSR 1800 GMT 11 Dec 86

[Text] Zhang Zhen, PRC consul general in Leningrad, hosted a reception the evening of 10 December in Leningrad on the occasion of establishment of a PRC consulate general in this city.

The reception was attended by a deputy chairman of the Leningrad City Executive Committee, the secretary of the Leningrad Oblast Executive Committee, and the chairman of the Leningrad Branch of the Soviet-Chinese Friendship Society. Li Zewang, PRC ambassador to the USSR, and the deputy chairman of the Leningrad City Executive Committee exchanged speeches at the reception.

According to a 1985 agreement reached between the PRC and USSR, both sides are establishing consulates general in Leningrad and Shanghai respectively.

INDIA ACCUSED OF CREATING DIPLOMATIC INCIDENT

HK150435 Hong Kong WEN WEI PO in Chinese 15 Dec 86 p 2

[Editorial: "India Creates Diplomatic Incident"]

[Text] The Indian Government has openly set up the so-called "Arunachal Pradesh" in occupied Chinese territory. When the Indian Parliament's lower house approved the resolution, Indian Parliament's lower house approved the resolution, Indian Prime Minister Rajiv Gandhi claimed that it was a "historic event" that "would strengthen India's reunification."

Inheriting the mantle of colonialism, occupying other country's territory, and legalizing it through domestic legislature and the establishment of government bodies -- can India force the invaded country to submissively obey and hand over its territory by this means? Even a weak country will resist, let alone a strong and independent China! The Chinese Ministry of Foreign Affairs has solemnly declared: "The above-mentioned bill approved by the Indian Parliament is absolutely illegal and China will never recognize the so-called 'Arunachal Pradesh' established in the most disputed eastern sector of the Sino-Indian boundary."

The Sino-Indian border extends for 2,000 km. By concocting the so-called "McMahon Line" in the eastern sector of the boundary the colonialists illegally incorporated China's 90,000 square km of territory into India's territory. For this reason, it was resolutely rejected by the previous Chinese governments. As a result, for more than 20 years after the boundary was invented, they did not dare to mark it on the map. It was still marked as an "undefined boundary" until India's independence. Such being the case, what reasons are there for India to flagrantly establish an organizational system in, and take possession of, the disputed area? After launching a counterattack against Indian invasion, China, in the spirit of "mutual understanding and mutual accommodation," still proposed that the two countries hold talks to discuss the border issues. Seven rounds of talks have been held so far. Although they have not made much progress, they have nevertheless opened up the prospects for a peaceful solution of the problem. At present, both parties ought to maintain the status quo and strive to seek a breakthrough in the negotiations. Contrary to this, India has created an incident. Is this not an abnormal approach toward solving the border disputes through talks?

Obviously, the Indian action has been deliberately planned. After the seventh round of the Sino-Indian border talks ended last July, in an attempt to find a legal basis for India's claim to "Arunachal," which originally belonged to Xizang and was later seized by India, THE HINDUSTAN TIMES blackmailed China by claiming that India would deny Xizang as China's territory and would recognize Xizang as an independent state. In August, the Indian Government falsely charged that Chinese troops had invaded the Samdiurong [2718 1122 3157] river valley area, set up permanent military strongpoints, built a heliport, and collected local taxes. In doing so the Indian Government foreshadowed the official establishment of statehood. Sure enough, after the publicity campaign, it officially raised on 8 December the so-called "Arunachal district directly under the central government" to a "state," the highest local organization, and legalized the occupation by stabilizing the relationship between the central and local authorities through domestic legislation. By taking this series of measures, the Indian Government has placed more obstacles before the border talks between the two countries and, like a person lifting a rock only to drop it on his own feet, will certainly eat its own bitter fruit.

History has proved that it is unwise to try to solve border disputes by force of arms. The border conflict in 1962 may serve as a lesson. It will also be unworkable to use domestic legislature to create a diplomatic incident and to use the superpowers as a backer to force China to make concessions. China's principle of safeguarding its territorial integrity will never by swayed by foreign countries. China has consistently maintained that territorial issues should be solved through negotiations and that they can be solved fairly and reasonably as long as we respect history, give consideration to reality, and adopt an attitude of mutual understanding and mutual accomodation. As a great nation in the East and a developing country, India has many similarities with China with regard to objective conditions. The two countries ought to establish good-neighborly and friendly relations and give full cooperation to development and peace. China hopes that India will deal with border issue between the two countries in this spirit. However, we would like to remind the Indian Government that it should not mistakenly take China's sincerity as a sign of weakness and act according to its wishful thinking. It is absolutely impermissible.

OFFICIAL PLEDGES PRC SUPPORT TO PAKISTAN

OW121932 Beijing XINHUA in English 1652 GMT 12 Dec 86

[Text] Islamabad, December 12 (XINHUA) -- A high-ranking Chinese official pledged here today China's continued support to Pakistan in its struggle to safeguard national independence, state sovereignty and territorial integrity.

Geng Biao, vice-chairman of China's National People's Congress (NPC) Standing Committee, made the pledge at a banquet given by Pakistan's National Assembly Speaker Hamid Nasir Chatha this evening.

Geng also expressed support for Pakistan's efforts to promote peace and stability in South Asia and the world.

He said that Pakistan's unremitting efforts for the political settlement of the Afghanistan question and general humanitarian and material assistance to the Afghan refugees have won widespread international acclaim.

Pakistan has sheltered over three million Afghan refugees since the invasion of Afghanistan by Soviet troops in 1979.

Meanwhile, both Geng and Chatha shared the view that the Sino-Pak relations, based on the principles of equality and non-interference in each other's internal affairs, have stood the test of time and have grown stronger over the years.

They maintained that frequent exchange of visits at the hightest level have strengthened bilateral relations and contributed enormously to the consolidation of better cooperation between the two countries.

Geng served as the second Chinese ambassador to Pakistan in the late 50s and has visited Pakistan several times since. He arrived here yesterday for a nine-day goodwill visit to Pakistan.

He met with Chatha and Senate Chairman Ishaq Khan earlier today.

RENMIN RIBAO ON WESTERN EUROPE'S SECURITY WORRY

HK120745 Beijing RENMIN RIBAO in Chinese 10 Dec 86 p 6

[Article by Fang Qiu (2455 4428): "Message From Western Europe"]

[Text] The West European Alliance conference, the NATO Defense Ministers meeting, and the European Community London summit were held one after another in early December. Although they emphasized different topics for discussion, they conveyed a common message: Western Europe is increasingly worried about its own security problem highlighted in the new situation; strengthening themselves through unity has increasingly become a common aspiration of the West European countries.

It has been noted that Western Europe's position toward the nuclear disarmement issue has changed following the U.S. -Soviet summit in Iceland. Western Europe, which intensely desired East-West detente in the past, is now adopting a cautious attitude toward the prospects for an agreement between the United States and the Soviet Union on drastically reducing medium-range nuclear missiles. The principles for West European security, which were put forward by French Prime Minister Jacques Chirac and which were unanimously approved at the West European Alliance conference, are quite representative in this respect. The basic points of these principles are: The nuclear deterrent is still an important means by which Western Europe safeguards its security. In addition to relying on American nuclear power, Western Europe will chiefly rely on political unity and on British and French nuclear forces in the future. This change in Western Europe's attitude is understandable.

Western Europe occupies a special position in East-West relations. On the one hand, as a part of Europe, it regards the spiraling arms race between the two superpowers, which has turned Europe into the biggest powder magazine in the world, as the sword of Damocles hanging overhead. It urgently hopes that the East-West relations will be realistically eased lest Europe once again become a battlefield heavy with the smoke of gunpowder. On the other hand, as a component of the Western camp, Western Europe's defenses have always been linked to the U.S. "nuclear umbrella." Goven the present balance of forces, any act of disconnecting the two is unsustainable to Western Europe, the United States was prepared to reach an agreement with the Soviet Union on drastically reducing strategic weapons and abolishing medium range nuclear weapons. This event startled Western Europe. Western European countries were keenly aware that it would probably become a victim of the U.S.-Soviet deal one day. Just as Western Europe was feeling dissatisfied with the U.S. action, the inside story of the secret arms deal between the United States and Iran came to light. This has made Western Europe feel all the more that the United States does not match its words with deeds. Regardless of complaints lodged by Western Europe, the United States recently breached the SALT II agreement by deciding to deploy the 131st cruise-missile-carrying B-52 bomber. This has increased Western Europe's anxieties about, and distrust of, the United States.

For this reason, West European countries have repeatedly stressed on different occasions that, in its armament talks with the Soviet Union, the United States should not go too far, too fast, and that, given the present complicated the turbulent situation, it is necessary to have its voice heard in the world. Apparently, the West European stand will play a certain containing role in the U.S. -Soviet arms control talks and the trend to strengthen Western Europe's defenses through unity will be further reinforced.

TIAN JIYUN MEETS, FETES ITALIAN CP DELEGATION

OW140508 Beijing XINHUA Domestic Service in Chinese 1447 GMT 13 Dec 86

[By reporter Miao Suqun]

[Text] Beijing, 13 Dec (XINHUA) -- China's economic growth rate may reach 8.7 to 9 percent this year, said Tian Jiyun, member of the Political Bureau and Secretariat of the CPC Central Committee, at a meeting with Aifredo Reichlin, member of the leading organ and Secretariat of the Italian Communist Party Central Committee, and his party here this evening.

He said: This year is the first year of China's Seventh 5-Year Plan. We have achieved fairly good results in meeting various targets. By November, our economic growth rate had reached 8.4 percent.

Reichlin is an economic specialist. Since his arrival in Beijing on 3 December as a guest of the CPC, he has made inspection tours to Xian, Shanghai, Guangzhou, and Shenzhen. At the meeting with Tian Jiyun, he said that he was deeply impressed by China's rapid development and improvement in the quality of its scientific and technological production.

He said that wherever he went, he not only saw people discussing questions with ease of mind and in various ways but also saw construction work under way. The Chinese, he said, are full of vigor and energy. He believed that the road taken by China is correct.

Reichlin said that he would like to know what China is doing to achieve balanced economic growth of its developed and backward areas. Tian Jiyun said: Propelled by the impact of reform, China's economy has developed healthily during the past 8 years. However, ours is a big country, and the historical, cultural, and natural conditions and resources vary from place to place, and in some cases they are vastly different. Because of this, it will be very hard for all areas to have synchronized development and become well off at the same time.

He went on to say: The Chinese Government has adopted a number of measures to develop the central and western parts of the country as early as possible while accelerating the development of coastal areas. The measures include:

-- To use some of the state's tax revenue obtained from eastern areas for the construction of central and western areas;

-- To raise the prices of certain raw and semifinished materials of central and western areas; and

-- To encourage competent personnel to go from the east to the west, factories and enterprises in eastern areas to move and develop westward, and laborers in eastern areas to seek employment in the west.

He added: The Chinese Government wants to ensure that some areas with better conditions develop first, and at the same time, the development of these areas will gradually lead to the development of comparatively backward areas.

The meeting was followed by a banquet hosted by Tian Jiyun in honor of Reichlin and his party. Zhu Liang, head of the International Liaison Department of the CPC Central Committee, attended the meeting and the banquet.

CSSR FOREIGN MINISTER VISITS CHINESE LEADERS

Meets Wu Xueqian at Banquet

OW121555 Beijing XINHUA in English 1538 GMT 12 Dec 86

[Text] Beijing, December 12 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Sxueqian gave a banquet for visiting Czechoslovak Foreign Minister Bohuslav Chnoupek and his party here tonight.

Chnoupek is the first Czechoslovak foreign minister to visit China since the establishment of diplomatic relations between the two countries 37 years ago. This, Wu said in a toast at the banquet, shows tht their friendly relations and cooperation have reached a new high.

Wu mentioned the traditional friendship between the Chinese and Czechoslovak people and the history of friendly exchanges between the two countries.

He said the past few years have shown marked progress in the Sino-Czechoslovak relations in political, economic, scientific, technological and other fields.

He said China is willing to cooperate with Czechoslovakia in continuing efforts in promoting bilateral relations in the spirit of mutual respect, equality and mutual benefit.

In reply, Chnoupek said Czechoslovakia is very much interested in China's efforts to boost industrial and agricultural production and upgrading people's living standards.

The Czechoslovakian people have treasured and are treasuring China's high international prestige and China's positiv efforts in consolidating peace in its capacity of a permanent member of the United Nations Security Council, he added.

He said Czechoslovakia sincerely hopes to expand ties with China in various fields, including political relations on the principle of equality, mutual benefit and cooperation.

Chnoupek arrived here today as guest of his Chinese counterpart.

Wu, Chnoupek Discusses Relations

OW131114 Beijing XINHUA in English 1059 GMT 13 Dec 86

[Text] Beijing, December 13 (XINHUA) -- Chinese and Czechoslovak Foreign Ministers Wu Xueqian and Bohuslav Chnoupek agreed during their talks here today that relations between China and Czechoslovakia should be further expanded.

After briefing each other on their respective countries' domestic construction and foreign policies, the two foreign ministers dwelt on future cooperation in various fields.

Chnoupek said in carrying out extensive cooperation the two countries should engage in economic cooperation, traditional trade and technological cooperation, strengthen cultural exchanges and expand cooperation in educational, public health and other fields.

Wu, who is also state councillor, expressed his satisfaction with the rapid growth in the bilateral relations over the past few years.

He agreed with Chnoupek's proposition that bilateral relations in various fields be expanded.

Chnoupek spoke highly of the independence characteristics of China's foreign policy.

Czechoslovakia and China share identical views on many major international issue, he said. This has laid an extensive and solid foundation for Czechoslovak-Chinese cooperation and is in the interests of the two countries' peoples and conducive to safeguarding world peace.

The two foreign ministers also had a full exchange of views on the current international situation as well as international issues including disarmament and regional conflicts.

Wu stressed that China favors whatever proposals, words and deeds conducive to the safeguarding of world peace and opposes those detrimental to world peace.

Chnoupek, Wu Exchange Views

LD131416 Prague CTK in English 1340 GMT 13 Dec 86

[Text] Beijing Dec 13 (CTK correspondent) -- Czechoslovak Foreign Minister Bohuslav Chnoupek, currently visiting China, had talks here today with Wu Xueqian, Chinese State Council member and foreign minister.

They exchanged views on the current state of Czechoslovak-Chinese relations and on possibilities of their further development, and reviewed key international issues.

It was noted in the talks, which were held in a constructive and business-like atmosphere, that the two countries' leaderships attach great importance to the all-round development of relations of friendship and cooperation between Czechoslovakia and China on the basis of mutual advantagousness, respect for the principles of equality and mutually beneficial cooperation in the interest if peace, socialism and joint struggle against imperialism.

The two ministers considered the possibility of further intensification of the political dialogue at all levels. They stressed the mutual interest in expanding contacts between parliaments, organizations of the National Front and trade unions. They said mutually beneficial was the system of consultations and other forms of cooperation between the foreign ministries.

They also noted the importance of enhancement of trade and economic cooperation and of seeking their new forms.

The Czechoslovak and Chinese foreign ministers noted that both countries have identical or close views of a number of key international issues -- elimination of the danger of nuclear war, preservation of peace, disarmament in both the conventional and nuclear spheres, as well as prevention of space militarization, and development of normal, friendly relations with all countries of the world.

Minister Chnoupek appreciated China's peace effort, particularly its commitment not to use nuclear weapons as the first, the negative attitude to nuclear tests and to the U.S. "Strategic Defence Initiative" (SDI), and to the development and deployment of space weapons.

Bohuslav Chnoupek stressed the importance attached by Czechoslovakia to strenthening security and cooperation on the European continent within the already institutionalized Helsinki process.

The two foreign ministers welcomed the fact that at the Reykjavik Soviet-U.S. summit meeting, stands on radical cuts in nuclear weapons and on their liquidation were brought so close for the first time on such a high level. They said that the conclusion of the respective agreement was marred by the SDI project.

Both ministers exchanged views on fundamental questions linked with strengthening peace and security in Asia and the Pacific. Bohuslav Chnoupek pointed to the important, workable, concrete and constructive proposals of the USSR of July 1986 and to the real possibilities of consolidating military political stability through realization of the proposed measures in the military sphere in Asia and in the Indian and Pacific Oceans as explained by Mikhail Gorbachev in New Delhi.

The two ministers also reviewed the situation in hotbeds of tension, ranging from the Middle East to southern Africa to Central America, and spoke our for their just and peaceful settlement through political talks.

Zhao Ziyang, Chnoupek Talk

OW131546 Beijing XINHUA in English 1449 GMT 13 Dec 86

[Text] Beijing, December 13 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China sincerely wants to develop all-round friendly relations and cooperation with Czechoslovakia.

While the two countries share much in common they also have different views on some subjects but this should not affect the development of bilateral friendly relations and cooperation, Zhao said at a meeting with visiting Czechoslovak Foreign Minister Bohuslav Chnoupek and his party here today.

Zhao noted that remarkable progress has been made in bilateral economic relations and trade over the past few years. There still exist potential for further growth.

He expressed the belief that bilateral friendly relations and cooperation will developed gradually so long as the two countries take safe steps and act according to the principles of mutual respect in the political field and of equality and mutual benefit in the economic field.

Chnoupek said that the Czechoslovak party and Government sincerely hope to develop their relations with China. Czechoslovakia is willing to hold more talks with China and to strengthen its cooperation in economic and other fields.

The Chinese premier said: "I have met with the Czechoslovak comrades on three occasions this year, which indicates the speed of development of the relations between the two countries."

Zhao thanked Chnoupek for conveying warm greetings from Czechoslovak Premier Lubomir Strougal.

Zhao also asked Chnoupek to send his cordial and warm regards to Lubomir Strougal.

Hu Yaobang Meets Chnoupek

OW140702 Beijing XINHUA in English 0650 GMT 14 Dec 86

[Text] Beijing, December 14 (XINHUA) -- General Secretary Hu Yaobang of the Chinese Comunist Party had an hour-long meeting here this morning with visiting Czechoslovak Foreign Minister Bohuslav Chnoupek and his party.

Hu asked Chnoupek to convey his greetings to General Secretary Custav Husak and Premier Lubomir Strougal. Chnoupek conveyed the cordial regards of Husak to Hu and handed him a letter from Husak.

Having perused the letter, Hu said that is a warmly-worded letter, adding: "We are pleased to note the big progress made in the Sino-Czechoslovak relations over the past few years."

Chnoupek said great progress has been made in bilateral economic relations in recent years, but there still exist potentials for further growth.

The Czechoslovak Party and Government cherish a sincere desire for developing their ties with China, he added.

Hu Yaobang reaffirmed China's principles in handling its relations with East European socialist countries.

During the meeting, Hu had a sincere and candid talk with Chnoupek on some major international issues.

It was learned that Husak invited Hu Yaobang to visit Czechoslovakia. Hu accepted the invitation with pleasure, and in return invited President and General Secretary Husak to visit China at an appropriate time in the name of president Li Xiannian and himself.

PRC DELEGATION MEETS WITH CSSR'S BILAK 12 DEC

OW130134 Beijing XINHUA in English 0123 GMT 13 Dec 86

[Text] Prague, December 12 (XINHUA) -- Vasil Bilak, Central Committee secretary of the Czechoslovak Communist Party, met here today with a visiting Chinese delegation headed by Li Shuzheng, deputy director of the Chinese Communist Party International Liaison Department.

During the meeting, both sides discussed the development of relations between the two parties and international issues of mutual interest.

The delegation arrived in Prague on Thursday.

INTERIM RULES ON INCOME REGULATIONS TAX

OW121301 Beijing XINHUA Domestic Service in Chinese 0103 GMT 11 Dec 86

[Text] Beijing, 11 Dec (XINHUA) -- Provisional Regulations on Individual Income Regulation Tax of the People's Republic of China

Promulgated by the State Council on 25 September 1986

Article 1. These regulations are formulated to regulate the incomes between individual citizens and to facilitate smooth progress in promoting economic structural reforms.

Article 2. Chinese citizens within the boundaries of the People's Republic of China with a residence and individual income are obliged payers of individual income regulation tax (to be referred to as taxpayers hereafter) and shall pay individual income regulation tax in accordance with the provisions in these regulations.

Article 3. Individual income regulation tax shall be levied on the following income:

1. Wages and salaries;
2. Contracting and subcontracting income;
3. Remuneration for labor service;
4. Income earned from leasing property;
5. Income earned from transferring and licensing patent rights and from providing and transferring unpatented technologies;
6. Income earned from contributing articles and translating;
7. Interest, deividends, and bonuses; and
8. Other income specified by the Ministry of Finance for taxation.

Article 4. Indidividual income regulation tax shall be levied at multiple [chao bei 6389 0223] progressive rates and proportional rates depending on the source of income.

Article 5. Income specified under line numbers 1, 2, 3, and 4 in Article 3 of these regulations is all classified as general income, and is calculated in accordance with the basic zonal accounting units and collected monthly. If the monthly general income of the taxpayer exceeds the basic zonal accounting unit, individual income regulation tax shall be levied on three times or more the amount in excess of the basic accounting unit. (A table of tax rates is attached at the end of these regulations.)

Article 6. Basic zonal accounting units may be readjusted in accordance with the actual circumstances.

Readjustment of the basic zonal accounting units shall be worked out by the Ministry of Finance and concerned departments and submitted to the State Council for approval of its implementation.

Article 7. The following individual income shall be taxed at proportional rates:

1. Income earned from contributing articles, translating, transferring, and licensing patent rights, and from providing and transferring unpatented technologies. A fee of 800 yuan shall be deducted if this income is less than 4,000 yuan at a time. If it is more than 4,000 yuan, a fee of 20 percent shall be deducted and the remainder taxed at a 20 percent proportional rate.

2. Interest, dividends, and bonuses. They shall be taxed at a 20 percent proportional rate each time.

Article 8. Tax rates for that "other income" specified under Line 8 in Article 3 of these regulations shall be set by the Ministry of Finance.

Article 9. The following individual income shall be exempt from individual income regulation tax:

1. Cash awards given by units at and above the levels of the provincial people's government and of the ministry and the committee under the State Council for scientific, technological, and cultural achievements;
2. Interest on treasury bonds and financial debentures issued by the state;
3. Interest on state bank, credit cooperative, and postal savings deposits;
4. Subsidies and allowances granted according to unified state provisions;
5. Welfare funds, pensions, and relief funds;
6. Insurance compensations;
7. Transfer and demobilization fees for military cadres and fighters;
8. Family allowances for cadres and workers, severance pay, retirement pay, and living allowances for retired cadres issued in accordance with unified state provisions; and
9. Other income approved by the Ministry of Finance for exemption from taxation.

Article 10. There are two ways of collecting individual income regulation tax: Deduction by the paying unit, and declaration by the taxpayer himself or herself for payment.

Article 11. Units making payments listed under Article 3 of these regulations to individuals are obliged deductors and payers of tax and shall calculate, deduct, and pay taxes as follows:

1. Calculate, deduct, and pay taxes at applicable rates in accordance with relevant provisions on those portions of individual items in the taxpayer's general income that are three times or more greater than the basic zonal accounting unit;

2. Calculate, deduct, and pay taxes at stipulated rates on the remainder of income earned from contributing articles, translating, transferring and licensing patent rights, and providing and transferring unpatented technologies after deducting fees in accordance with Section 1 of Article 7 of these regulations; and

3. Calculate, deduct, and pay taxes on interest, dividends, and bonuses in accordance with Section 2 of Article 7 of these regulations.

Article 12. Taxpayers shall declare and pay taxes by themselves to local tax departments on those portions of their monthly general incomes which are three times or more the amounts in excess of the basic accounting units.

Taxpayers shall apply, with evidence, to the local taxation departments for tax exemptions on those individual items in their general incomes that have been deducted and paid.

Article 13. Taxpayers who submit their own tax declarations and obliged tax deductors and payers shall submit tax declaration forms to the local taxation departments in the first 10 days of each month for taxes payable and deductible in the previous month.

Article 14. Tax departments shall pay the obliged tax deductors and payers a fee of 3 percent or less of the amounts they deduct and pay as taxes.

Article 15. Levying of the tax proper shall be handled in accordance with the provisions in the "Provisional Regulations Governing the Collection of Taxes for the People's Republic of China."

Article 16. Anyone may inform against those taxpayers who do not pay taxes in accordance with these regulations. Tax departments shall maintain confidentiality for the informers and reward them in accordance with relevant provisions.

Article 17. These regulations and the detailed rules for their implementation shall be interpreted and drawn up by the Ministry of Finance.

Article 18. These regulations shall take effect on 1 January 1987.

Attached: A Table of Individual Income Regulations Tax Rates

Serial Number	Applicable Zone	Basic Zonal Accounting Unit
1	The sixth wage zone or below	100 yuan
2	the seventh or eighth wage zone	105 yuan
3	the ninth or 10th wage zone	110 yuan
4	the 11th wage zone	115 yuan

Amount in Excess of Basic Accounting unit	Amount of the Taxation Monthly Income
Multiplied by:	
Three	400-500 yuan, 420-525 Yuan, 440-550 yuan, and 460-575 yuan at a 20 percent tax rate
Four	500-600 yuan, 525-630 yuan, 550-660 yuan, and 575-690 yuan at a 30 percent tax rate
Five	600-700 yuan, 630-735 yuan, 660-770 yuan, and 690-805 yuan at a 40 percent tax rate
Six	700-800 yuan, 735-840 yuan, 770-880 yuan, and 805-920 yuan at a 50 percent tax rate
Seven	800 yuan and upward, 840 yuan and upward, 880 yuan and upward, and 920 yuan and upward at a 60 percent tax rate.

RENMIN RIBAO ON WENZHOU'S COMMODITY ECONOMY

HK091003 Beijing RENMIN RIBAO in Chinese 21 Nov 86 p 5

[Article by Lin Zili (2651 1311 0500): "The 'Composition' of Wenzhou's Commodity Economy" -- part of the 16,000-character Volume I of "Report on the Study of Wenzhou's Commodity Economy"]

[Text] The output value of household industry in Wenzhou constitutes 60 percent of its total industrial output value. Most household businesses take the form of an enlarged operation, a form involving employment of helpers or apprentices. In the Wenzhou region there are over 400 local markets, including 10 famous commodity production and marketing bases. A system of local markets, including markets for means of production and funds, has thus begun to take shape, under which market mechanisms have begun to function as they should. [paragraph continues]

Wih the universal development of household enterprises and the initial formation of a market system (though immature), Wenzhou's commodity economy has developed rapidly. The city quadrupled the total output value of its agricultural and industrial production within 8 years. In 1977 the average per-capita income of the peasants in Wenzhou was just 55 yuan, and in 1985 it had jumped to 480 yuan. The average per-capital income of one-third of the peasant population was at least 1,000 yuan. At the same time, the income gap between people had widened remarkably.

The "Wenzhou model," characterized by household enterprises and local markets, has attracted the attention of people in various walks of life and also sparked fierce debate among them. Has Wenzhou's economy become "privatized" or "market-oriented"? Has "polarization" prevailed in the rural areas of Wenzhou? This is the so-called question of the "composition" of Wenzhou's commodity economy. In the Chinese countryside, wherever commodity economy is remarkably developed, the questions facing Wenzhou can also be found there.

In recent years, comrades engaged in rural economic work and some theoretical workers have been pondering, exploring, and studying these questions. However, the facts show that is is impossible to find solutions to these questions using traditional socialist theory — which is based on the old structure. Therefore, at the end of every discussion on these questions, people had to raise them to a higher plane of understanding — What is socialism? How should we approach socialist commodity economy? Without raising our understanding to this height, we will be unable to explain questions such as so-called "privatization."

1. On Scientific Understanding of Socialism [subhead]

As envisaged by Marx, socialism is the combination of labor and the exchange of equal amounts of labor. What Lenin meant by equality in labor and pay also refers to the exchange of equal amounts of labor. However, the exchange of equal amounts of labor in Marx's terms is a direct exchange of labor with natural time as the yardstick. Moreover, practice has amply proven that labor of different qualities cannot be measured using natural time as the yardstick and people are unlikely to directly grasp and fully understand society's need for labor of different kinds. Therefore, both the exchange of labor between producers and the distribution of labor in various fields of endeavor can be achieved only through the market and the tortuous course of value. In other words, the exchange of equal amounts of labor is unavoidably characterized by the exchange of commodities at equal value and constitutes a new-type relationship of exchange of equal value. This is called socialist commodity economy. This theory, which combines exchange of equal amounts of labor with exchange of commodities at equal value, and socialist relations of production with the mode of commodity production, has corrected the traditional theory, which argues that exchange of equal amounts of labor can only be a direct exchange of labor, turning the ideal principle of exchange of equal amounts of labor into something consistent with practice.

So-called exchange of equal amounts of labor includes only the exchange of labor, including labor of different kinds and different qualities, but excludes the influence of different material conditions for production on relationships of exchange of labor or the possibility of some producers seizing others' labor by relying on their superiority in material conditios for production. [paragraph continues]

This is where the basic difference between exchange of equal amounts of labor and the ordinary exchange of equal value lies. The reason Marx regarded exchange of equal amounts of labor as th essence of socialist economic relations lies precisely in its exclusion in principle of possession of others' labor and of class exploitation.

Under the conditions that exchange of equal amounts of labor is achieved through the market and that it has the characteristics of the ordinary exchange of equal value, the market cannot automatically exclude the influence of different material conditions for production on relationships of exchange and such exclusion can be achieved only through the state's function of regulating the macroeconomy, in such ways as regulating the differential returns on the use of resources and funds.

Now that exchange of equal amounts of labor must go through the market and have the characteristics of the ordinary exchange of equal value, then the so-called equal amounts "refer to average figures rather than each specific instance." The state's adjustment of differential income can be realized through a particular average figure and the figure cannot be accurate. Moreover, to encourage the adoption of advanced means of production, differential income cannot be turned over to society. At the same time, to develop the commodity economy, we need to raise funds, and to do so we have to pay interest to the suppliers of funds (including the use of bank savings). Therefore, the exchange of equal amounts of labor can be an exchange of not absolutely equal amounts of labor. The producers with relatively favorable material conditions for production can still obtain some differential benefits, and suppliers of funds get interest. This fact shows that the exchange of labor is one of unequal amounts of labor, or that it contains the element of possession of others' labor. If possession of others' labor is called "exploitation," then such "exploitation" cannot yet be completely eliminated. However, generally speaking, this element does not play a dominant role. If its role expands in some fields of endeavor at particular times, it can be adjusted and controlled through the application of macroeconomiuc functions. It will not lead to polarization and class antogonism. That being the case, in my opinion, it is quite inappropriate to explain the element of exchange of unequal amounts of labor existing in socialist commodity economy by using the word "exploitation," a concept related to classes. We may call it "unearned income." The practice of everybody eating from "the same big pot" also means the seizure of others' labor by some people. When a state-owned enterprise suffers losses every year and demands state subsidies for its survival, does it know where the state subsidiaries come from? Clearly, they come from social labor. We have never called phenomenon an act of exploitation.

Now that the above-mentioned unearned income, such as differential benefits and interest, should be regulated by the state using the function of the macroeconomy, that function should also include such important aspects as achieving a balance between society's total demand and supply. Therefore, society's economy under socialism is unavoidably divided into two facets and forms a double-faceted structure. All producers or dealers, be they state-owned enterprises, cooperative organizations, household or private businesses, or other forms of operation, are microeconomic units which should be incorporated into the second facet of the double-faceted structure. Their economic interests and behavior have to be subject to the function of the macroeconomy.

In the present-day world, macroeconomic regulation is indispensable to any relatively developed commodity economy. In this sense, commodity economy can be said to have a double-faceted structure. Of course, taking the adjustment of unearned income, such as differential benefits, as the principal function of macroeconomic regulation (of course, it has other important functions) must be said to be a manifestation of the particularity of socialist commodity economy. [paragraph continues]

Differential income is a question of tremendous importance. The appropriate adjustment of differential income will help create a situation in which all microeconomic units can participate in equal competition under the principle of exchange of equal amounts of labor. This is precisely the basic requirement of socialist commodity economy.

Clearly, what people currently see in real life, in particular in twisted economic relations, differential benefits, interest, and other unearned income by abnormal and evil means, is not completely consonant with the socialist commodity economy we discussed above, because at present the socialist commodity economy still lacks some of the special features inherent in it. In other words, a socialist market system has not taken shape, macroeconomic functions and regulatory means are still weak, and inflated demand and insufficient supply caused by the old economic structure have not yet been eliminated. All these should be viewed as transient and nonregular phenomena and they will disappear with the success of the comprehensive reform.

1. What Does the Current Expansion of the Income Gap Mean? [subhead]

On the above-mentioned three questions, namely, so-called "privatization," "becoming market-oriented," and "expansion of the income gap," I would like to start by discussing the question of the income gap, a substantive question that has long commanded people's interest.

Let us make an analysis of people's income structure under socialist commodity economy. The incomes of operators of household enterprises, ordinary employees, or other working people are, among other things, payment for their labor, both in rendering technological services and in doing business. Some comrades do not recognize that doing business is a form of labor and, moreover, a complex one. In China's countryside. this labor is rare and much sought after, and this labor capability is a rare productive factor. In present-day China, the difference in labor quality and that between qualified personnel and people with average ability is quite noticeable. Therefore, a relatively wide gap in payment for labor, say 10 times more or greater, does not necessarily mean contravening the principle of exchange of equal amounts of labor under socialist commodity economy. Of course, an objective and quite practical reflection of the gap can be achieved through the market or social assessment. At present, when socialist market mechanisms and macroeconomic functions are still not complete, we can hardly do so.

However, relatively speaking, in Wenzhou the reflection of differences in labor through the market is relatively close to reality, because market mechanisms there are truly displayed and it is not easy for people to earn abnormal and extra income from society. Facts have shown that sound market mechanisms are a force for checking abnormal, evil, and illegal practices of obtaining unearned income.

Of course, a considerable number of people engaged in the commodity economic sector in Wenzhou obtain their income by abnormal and evil means. However, they obtain it mostly from their business dealings with enterprises or other units in other parts of the country and not from local markets. For example, they obtain cheap goods and materials from, or sell substandard and even fake products to, state-owned enterprises or other units in other parts of the country by offering bribes to the relevant personnel (or the latter extort such bribes). Therefore, before tangible results have been achieved in the reform of the macroeconomy, it is still difficult to eliminate such phenomena. They cannot be eliminated by Wenzhou itself.

Apart from payment from labor, people's income also consists of interest from the use of funds. With the development of commodity economy, as commodity producers and dealers, all microeconomic units, be they state-owned, cooperative, individual, or private, have accumulated funds in their hands. In addition, part of people's payment from labor is saved. Therefore, the use of all these funds, whether they are deposited in banks or used in other fund-raising forms, will bring in interest (using one's own funds will relieve one of interest burdens and this means getting interest). If the factor of price rises is not taken into account, interest is a kind of unearned income brought about purely by the use of funds.

Apart from interest, the obtaining of certain amounts of income from taking the risks of doing business and making investments is also a normal phenomenon under commodity economy. For instance, the dividends of stock companies contain interest and income from taking investment risks.

To put it briefly, if we put aside some transient and abnormal factors, such as petty gains earned from capitalizing on the loopholes of the current unsound price, tax, and credit systems, and the extra incomes earned by evil means, under socialist commodity economy, people's income consists of payment from labor, interest, income from making investments, and some normal unearned income, such as differential benefits.

The objective manifestation of the differences in the quality of labor achieved through the market widens differences in labor income. This conforms to the principle of exchange of equal amounts of labor, or the principle of distribution according to work (distribution according to work is the continuation of exchange of equal amounts of labor in the distribution field in the course of production or an exchange of equal amounts of labor in terms of distribution). It is an inevitable phenomenon at a certain stage of development of socialist commodity economy. Only when socialist commodity economy is highly developed can differences in the quality of labor and the income gap diminish.

Nevertheless, increased unearned income is also a factor in the expanded income gap. A certain growth of unearned income is also an inevitable phenomenon in the development of socialist commodity economy. Operators of household businesses and other expanded forms of business, including large-scale ones, who gain more earnings thanks to their efficient management, can continuously accumulate funds, and those who have abundant funds can obtain considerable amounts of interest as an income source. In Wenzhou's local fund markets, interest rates have always stayed high -- 3 percent per month. In a certain sense, their interest income contains, in reality, a large amount of income from risky investment. Consequently, unearned income in Wenzhou is gradually expanding. Therefore, we should regulate it by macroeconomic means. As I see it, apart from studying the taxing of differential benefits, we should also study how to impose income tax on income from interest. Of course, profits tax can be incorporated in income tax, but serious consideration should be given to tax starting points, rates and progressive methods to ensure that the logical situation of earned income constituting the main part of the income structure is protected and unearned income is appropriately regulated. The income tax currently in force fails to distinguish earned income from unearned income and to set a demarcation line between the portion of income used for consumption purposes and that used in expanded reproduction. This deserves our consideration.

The principle of equality concerning exchange of equal amounts of labor is in essence different from that of equality both in the trading of labor and in the ordinary exchange of equal value. Under the principle, people's economic interests are determined by work and work efficiency. [paragraph continues]

In other words, equality and efficiency form an integral whole. However, bearing in mind the reasons we have mentioned above, namely, the needs of developing commodity economy and obtaining greater efficiency in doing so, we have to recognize the legal existence of some normal unearned income. The extent of unearned income involves the concept of social fairness. Different from the above-mentioned principle of equality, the so-called concept of fairness, instead of belonging to economic relations, falls into the category of social moral principles. Therefore, the gap between rich and poor among the people shoud not be too wide. By not being too wide, we mean that the extent of the gap should be acceptable to the community. This extent is elastic and varies distinctively in different situation of economic and cultural development.

Among other things, the development of Wenzhou's commodity economy has enabled people's incomes to increase by a big margin and in an extensive way and created a lively situation in which the people who have become better-off before others are bringing along those who are less affluent. Many household enterprises have come to the fore in this way. Therefore, the widening of people's income gap in Wenzhou is a matter of the extent and rate of growth of common prosperity. The widening of the gap in earned income in precisely the realization of exchange of equal amounts of labor. We should soundly use the function of the macroeconomy in appropriately regulating unearned income. This conforms to the needs of socialist commodity economy. It is by no means "polarization."

3. "Privatization" or Diversification of Microeconomic Forms? [subhead]

Household enterprises (including other enlarged forms of business) constitute the largest proportion in the microeconomic structure of Wenzhou's commodity economy. People view this fact as a change in the "structure of ownership" or, to be more incisive, as "privatization." Although this is quite universally held view, in my opinion it needs to be altered.

The much-discussed "ownership" in fact has two meanings. One refers to relations of production. As Marx repeatedly said, ownership is "the grand total of relations of production" and "the entirety of social relations called ownership." The other refers to relations of property, that is, who owns the means of production or prorietary rights.

In terms of either of the two meanings, the allegations of "a change in the structure of ownership" and of "privatization" are unscientific. As we have said, in the present-day world, marcoreconomic regulation is indispensable to a relatively advanced commodity economy. As far as socialist commodity is concerned, macroeconomic regulation has all the more a great function and role to play.

The social economy based on socialist commodity production is double-faceted. Economic entities, that is, commodity producers, no matter what forms they assume, are all microeconomic units, which belong to the second facet of the social economy and are conditioned by the first facet, or the macroeconomic function. This conditioning function will inevitably affect and change the nature of economic relations. This is an undeniable fact and the more an undeniable trend of development.

Specifically speaking, let us first discuss the first meaning of ownership of relations of production. If we discuss ownership exclusively in terms of microeconomic forms in the absence of the macroeconomy, how can we explain the totality of the relationships of this ownership and the nature of the relationships?

As far as Wenzhou's household enterprises are concerned, if the effect of the conditioning function of the macroeconomy on them is ignored, they will fall into the category of "individual economy" or become "small proprietors" in the sense of traditional concepts. However, if the conditioning function of the macroeconomy is taken as a factor, things will be distinctly different. Here I would like to discuss the division or distribution of their incomes by setting aside their economic behavior, such as how their production and exchange activities are regulated by the macroeconomic function. According to the State Council's provisional regulations concerning the income tax on individual households engaged in industry and commerce in cities and towns, the income tax rate for the portion of a household enterprise's annual income ranging from 4,000 to 6,000 yuan is 30 percent; for that from 12,000 to 18,000 yuan 45 percent; and for that exceeding 30,000 yuan 60 percent. A 10 to 40 percent rate of income tax will be levied on the taxable portion of the income of an enterprise with an annual income of more than 50,000 yuan. In other words, calculated according to the maximum tax rate, about 80 percent of this portion of its income should be turned over to the state. The proportion of the income of a state-owned enterprise handed over to the state is no more than this at the most. However, a state-owned enterprise is entitled to preferential treatment in various ways, such as state-allocated cheap production materials, but a household enterprise has no such treatment. To this day, if a state-owned enterprise suffers losses in operation, it will be subsidized by the state, but if the same happens to a household enterprise, it must be held fully responsible for the loss. If we discuss ownership from the viewpoint of a double-faceted structure and not merely from the microeconomic perspective, in terms of production, exchange, and distribution, household enterprises are distinctively different from the traditional concept of individual economy or "small proprietors."

In addition, judged from a microeconomic view of point alone, Wenzhou's household enterprises also differ from the traditional concept of individual economy. Most household enterprises in Wenzhou take the form of "carrying out operations under the name of a particular household." The peasants are "compelled" to produce such a creation in order to legally enter the national market (it is necessary for developing commodity economy). This is because when they carried out their operations under the names of their work-units, the latter were accused of "hiring out official seals and accounts." As things stand today, the form of "carrying out operations under the name of a particular household" provides a sound foundation for exercising, directly or indirectly, macroeconomic regulation and control (including regulation of taxes and credit and supervision of industry, commerce, and financial affairs).

Let us discuss the "ownership" (proprietary rights) of property. In the social economy's double-faceted structure, the microeconomy, regardless of form, depends on a united socialist market and is subject to macroeconomic regulation. Therefore, the ownership of property cannot be complete. Property matters because with it we can get certain economic interests or benefits, and not because of whom it belongs to in name or in law. If property is devoid of this economic importance, it will "amount to the same as nothing," as Marx said.

In accordance with the above-mentioned tax rates, after paying taxes to the state, the benefits of household enterprises from the use of their property are relatively limited, because the ownership of their property is in reality incomplete.

Here I would like to discuss the question of accumulation by the operator of a household business. This question covers a wider range than that of the operator's income. Accumulation has the function of promoting social progress. [paragraph continues]

As a material condition for production, so long as it is part of a process of reproduction and constant movement, the accumulation of funds by the operators of household businesses, including some large ones, plays the same role as common accumulation. Thus it has the nature of socialized property but, at the same time, it has the nature of private property, because by using their accumulated funds, the operators of household businesses can obtain interest or dividends, but when their interest or dividends reach a certain level, they will be subject to macroeconomic regulation. This is the concrete form of incomplete ownership.

Generally speaking, operators will not easily turn production funds into consumption funds. This is a result of the laws governing commodity economy and of the pressure of market competition. However, the possibility of the former moving into the latter should not be ruled out and, in this connection, macroeconomic countermeasures are of important significance. If the state puts a tax on the movement of production funds into consumption funds, or a property or funds mobility tax, with proper tax starting points and progressive tax rates, such movement will come under pressure from the commodity producers' inclination to accumulate funds and be highly subject to macroeconomic control. The private nature of socialized property -- accumulation -- will then be considerably limited.

Under the social economy's double-faceted structure, the ownership of property, whether of household enterprises or any other economic form, is incomplete. For instance, it seems beyond doubt that the property of state-owned enterprises belongs to the state. This has become clearer with the progress of the reforms, the continued expansion of the enterprises' "offically owned funds," and particularly since the replacement of state financial allocations to enterprises by bank loans. Hence, some people have raised the question: Do the enterprises collectively own the property in their hands? In reality, even though we say that it is owned by the enterprises, their members are not entitled to take it away or dissipate it even if the enterprises are dissolved. The view asserting that the property of a state-owned enterprise is owned by the state does not necessarily mean that the state can transfer the enterprise's property gratis to other units. The use of the property of a state-owned enterprise, that is, the combination of property and labor, means the creation of social wealth. In this regard, no one can claim ownership of social wealth. In this regard, no one can claim ownership over the property of a state-owned enterprise in the complete sense.

Ownership is the legal expression of the relations of property which are determined by the relations of production, namely, production, exchange, and distribution. Marx repeatedly said: The relations of production are "the cause" and the relations of property are "the effect." To explain any kind of property or ownership, it is necessary to "describe the overall social relations in regard to production," and to view proprietary rights as an independent concept separate from the relations of production "can be but a metaphysical and legalistic fantasy."

However, over the last several decades, traditional economic theory defined ownership of property as an independent concept transcending relations of production, asserting that it decides all relations of production. The theory is unable to explain real economic life. It can explain neither the real relations of production nor those of property. For example, state ownership existed in feudal times and is not rare in some capitalist countries in the contemporary era. However, it cannot indicate the economic nature of these countries. This is a hard fact. Conversely, it we explain the relations of property by the relations of production, it will be clear that the result of exchange of equal amounts of labor will be that everyone can only get the payment from his work, and that material production conditions or property will mean nothing to individuals to terms of economic benefits. [paragraph continues]

The fact that property loses its meaning to individuals is precisely the socialization of property. Socialism means the coalition of labor and public ownership of property. However, since the exchange of equal amounts of labor under socialist commodity economy is not pure, that is to say there still inevitably exists unearned income, the socialization of property or public ownership of property will hardly be complete and pure.

The final completion of the socialization of property will require a very long historical process. Our current various incomplete forms of ownership are precisely the inevitable result of this process. So-called socialization of property is the process of property losing its meaning to individuals, and the final completion of this process means the disappearance of the concepts of property and ownership.

From my above explanation, that household industry occupies a dominant position in Wenzhou is, I think, a phenomenon in the process of the diversification of microeconomic sectors or forms. The industry in itself is continuing to develop (for instance, the vigorous development of the construction of small cities and towns, like the construction of Longgang Town, plays an important role in the continued improvement of the industry. I will discuss this question in my next article). Therefore, we should not sum up the dominant role of household industry as a change in the "structure of ownership" or as "privatization." Diversified microeconomic forms are precisely a need of socialist commodity economy. It is logical that in the course of the development of socialist commodity economy, a particular form with particularly great vitality will have outstanding superiority for a period of time. Although the form is of a private nature, it is different from the traditional private economy. Its private nature is already incomplete and limited. Socialist commodity economy is bound to be microeconomically diversified and macroeconomically unifed. So long as the function of the macroeconomy is constantly perfected, various microeconomic forms can be put on the right course of the socialist commodity economic system and operated along that course. At present, in terms of theory and policy, we should keep microeconomic problems in the forefront of our thoughts, rather than fixing our eyes on some microeconomic forms. In particular, we should not regard microeconomic sectors or forms as the "system of ownership" or as the totality of economic relations.

4. "Becoming Market-oriented" Is Necessary for Socialist Commodity Economy [subhead]

The so-called question of "becoming market-oriented" in the development of Wenzhou's economy, refers, in reality, to the fact that a real market has emerged, a market in which different producers and sellers compete with each other in an extensive way; that the market has begun to form a system; and that market mechanisms have begun to function. All these are absolutely necessary for socialist commodity economy.

At present people have little objection to the notion that socialist economy is a commodity economy, but they still have doubts about whether socialist eocnomy is a market economy. In fact, how much difference is there between commodity economy and market economy? There is neither a nonmarket commodity economy nor a noncommodity economic market. If there is any difference between the two, then we can say that commodity economy is the essence of market economy and that the latter is the manifestation of the former, just as value is the essence of price and the latter is the manifestastation of the former.

Capitalist market economy is in essence capitalist commodity economy. Superficially speaking, socialist commodity economy is socialist market economy. The socialist market is a market where competition is conducted on an equal footing and under the principle of exchange of equal amounts of labor and where macroeconomic regulation functions according to socialist economic principles.

Wenzhou's practice has shown that without market systems and market mechanisms, the improvement of overall enterprise performance and of the qualities of operators and ordinary working people will be out of the question and that without them, Wenzhou would not have its current labor efficiency, turnover speed, and economic results. The development of market relations has brought changes in people's concepts. Today, the Wenzhou people have a stronger sense of independence and no longer rely on the state for everything. They are now used to market variations and fear no dangers in the market. In Wenzhou, people are competing with each other for higher incomes and the phenomenon in which no one cares about the performance of his work is already rarely seen. All these are in compliance with the development of socialist commodity economy.

If the practice of Wenzhou's commodity economy has brought about a "market-oriented" economy, this is a good thing of great significance, partly because it has created preconditions and laid the foundation for the creation of macroeconomic regulatory functions and means, and partly because it has provided conditions for the continued rationalization of microeconomic behavior. It is precisely because of this that we say the creation of socialist market systems and market mechanisms has become the key to the economic structural reform.

RENMIN RIBAO ON ENSURING PEASANT INCOME GROWTH

HK120911 Beijing RENMIN RIBAO in Chinese 11 Dec 86 p 1

[Commentator's article: "Maintain Stable Growth in Peasants' Income"]

[Text] The growth in peasants' income is an important sign of rural economy development, and is also an issue concerning the overall situation in the national economy. In a certain sense, maintaining steady growth in peasants' income is equal to maintaining the momentum for sustained and steady growth in the national economy.

In recent years, peasants' income in our country has risen by a large margin. The per capita net income of Chinese peasants increased from 191 yuan in 1980 to 397 yuan in 1985. That is, during these 5 years, peasants' income increased by an average of 9.2 percent each year. There is a special historical reason for such sharp rises in peasants' income. This is mainly because rural reform aroused peasants' work initiative, which had been held back for a long time past, and thus released a great deal of production potential. In addition, the substantial rise in farm products' purchase prices also brought the peasants much benefit. So, such rapid growth took shape under special conditions and bore the characteristic of restoration and compensation. It is impossible to maintain the high growth rate for a long time. After rapid growth, it becomes very urgent to strengthen the weak material and technological foundation in agriculture. As demand for some farm products has changed, peasants will also have to adjust their economic activities. According to some forecasts, the peasants' per capital income this year will continue to increase, but the growth rate will obviously be lower. In fact, this also is an inevitable tendency. We should clearly explain this state of affairs to the peasants so that they understand and accept this fact.

However, some factors in the slowdown of peasants' income growth must also be noticed. For example, the narrowing difference between the prices of industrial and farm products will now tend to widen again; the development of secondary and tertiary industries in the countryside is not stable enough; some departments and units, proceeding from selfish "departmental interests," are trying to take away state benefits given to the peasants. In addition, as grain output this year increased, the peasants' income from grain sales also increased. This is a good tendency, and should be maintained. However, some localities have blindly and inappropriately expanded grain crops sowing areas, thus affecting the development of other rural undertakings and adjustment of the rural economic structure, and affecting the normal growth in peasants' income. Grain production should mainly rely on increasing unit yield and intensive farming. The gains from extensive farming will not offset its losses. This year, peasants in many localities reduced their investment in agriculture. This is also a fact that we must not ignore.

The countryside is the biggest market for our domestic industrial goods, and peasants are the biggest buyers of industrial consumer goods. In our country, consumption by the 800 million peasants forms a strong motivation that pushes our industrial production ahead. When peasants have more money in their hands and their purchasing power becomes stronger, the capacity of the rural market will further expand, and this will in turn stimulate the activeness of the entire domestic market. Maintaining steady growth in peasants' income will also help increase rural accumulation, expand agricultural investment, and maintain the momentum for sustained and steady growth in the rural economy as a whole. In a country such as ours with a large rural population, only when the income of the 800 million peasants can increase continuously can income levels of urban and rural people become closer, so that the whole nation will reach a comparatively well-to-do level by the end of this century. Therefore, all rural reform steps and all parts of our rural work should serve the purpose of increasing peasants' income. This should be taken as a firm guiding principle for our rural work.

The increase in peasants' income derives from the development of the rural economy. The fundamental way to guarantee steady growth in peasants' income is to develop the commodity economy in the countryside by speeding up the development of agricultural resources; gradually setting up an efficient and comprehensive economic structure which is favorable to the full development of rural resources; and opening up broader roads to create wealth. Benefit brought by reforms to the peasants must be protected. No one can impose unreasonable levies on peasants or fleece them by raising consumer goods prices. Peasants' income must be increased, and the unreasonable burdens on the shoulders of the peasants must be reduced. Only thus can peasants continue to become rich.

IMPORTANCE OF AGRICULTURAL DEVELOPMENT STRESSED

HK110637 Beijing RENMIN RIBAO in Chinese 9 Dec 86 p 1

[Commentator's article: "Place Agriculture in an Appropriate Position"]

[Text] Our national economy is build on the foundation of agriculture, and our overall economic control should place agriculture in an appropriate position.

Over the past 30 years and more, growth and decline in our national economy always coincided with growth and decline in agriculture in our country. When our agriculture was developing, our food and textile industries could obtain sufficient raw materials; our markets would be stable; our economic conditions became prosperous; and the public was satisfied. [paragraph continues]

Conversely, when the situation in our agriculture turned bad, industry lacked raw materials; supplies to markets became strained; and the economy as a whole became depressed. When the state readjusted the exchange relationship between industrial and agricultural products and gave more benefit to peasants, peasants would increase their incomes and the markets for industrial goods would expand, thus quickening industrial development; otherwise, industrial development and economic growth would slow down. Therefore, agriculture must be placed in an appropriate position in line with the objective regularity of the operation of the national economy, and we must really and effectively guarantee the position of agriculture as the foundation of the entire economy.

Things in the past 30 years and more showed that the above-mentioned principle might be better remembered and put into practice by people when agriculture encountered difficulties, but that once the situation in agriculture turned better, they might not continue to hold to this principle. The reform after the 3d Plenary Session of the 11th CPC Central Committee greatly aroused the peasants' enthusiasm and brought about an unprecedentedly good situation in the countryside. Grain output increased from 304.7 million tons in 1978 to a record 407.3 million tons in 1984; cotton output increased to a record high of 125 million dan; and peasants' incomes also increased sharply. In a number of years, they built a large number of new houses, with a total floor space of 4.2 billion square meters, six times as much as the total in the previous 20 years and more. As the rural situation is getting better, some comrades have again become somewhat oblivious to the position of agriculture as the foundation of the national economy. Some departments do not give full consideration to agricultural development when working out their economic plans; the phenomenon of fleecing peasants is increasing; and some departments are trying to take back the benefits the state gives to peasants. Some departments that should serve agriculture not only become lukewarm in performing their duties of offering services to agricultural production, but even do things unfavorable to agricultural development.

The party central leadership has decided that during the Seventh 5-Year Plan, rural output value should increase by an annual average of 6 percent; and that by 1990, grain output should increase to 425-450 million tons, with peasants' per capita income being twice as much as that in 1980. This means that grain output must increase by an average of 10-15 million tons. At present, our agriculture is still facing such problems as a weak material and technological foundation, a weak ability to face natural disasters, the excessive use of some resources, and a short supply of some farming materials. It is an arduous task to fulfill the objectives for agricultural development laid down by the party central leadership. All of our leading departments, economic policymaking departments, and various departments related to agricultural work must attach importance to peasants' interests, to agricultural development, and to agriculture's position as the foundation of the national economy. Only thus can we guarantee the smooth development of agriculture and the smooth fulfillment of the general objective of national economic development.

TIAN JIYUN CALLS FOR IMPROVED LAND MANAGEMENT

OW131140 Beijing XINHUA in English 1116 GMT 13 Dec 86

[Text] Beijing, December 13 (XINHUA) -- Agriculture can on no account be weakened in coastal and other areas where the commodity economy is relatively well developed, said Vice-Premier Tian Jiyun in a recent tour of Xiamen, Fujian Province.

He called for an improvement in land management to ensure farm production, especially steady growth of grain output, in these areas.

In China, agriculture is regarded as the foundation of the national economy.

"If agriculture is unstable, it will restrict the nationwide reform, the implementation of the open policy and the development of the commodity economy," Tian said.

While raising agricultural input, increasing the amount of arable land and harnessing rivers to ensure steady farm output, emphasis must be put on management of cultivated land and every inch of farmland must be treasured.

He encouraged people to grow more fruit trees on mountain slopes, raise more aquatic products and adopt scientific and intensive farming.

CULTIVATED LAND DECREASES BY 7 MILLION MU

HK100645 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1413 GMT 9 Dec 86

["The Area of China's Cultivated Land Decreases by 7 Million Mu a Year" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 9 December (ZHONGGUO XINWEN SHE) -- At a press conference held in Beijing today, Wang Xianjin, director of the State Land Administration Bureau, said that during the Sixth 5-Year Plan, the area of China's cultivated land decreased by 7.38 million mu a year. He expected that after the "Land Administration Law of the PRC" is formally enforced from the beginning of next year, the phenomenon of recklessly seizing cultivated land can be effectively constrained.

The director disclosed that beginning next year, the Chinese Government will strengthen land administration in a planned way. The cultivated land used for the purpose of expanding urban and rural construction and developing industry and communications should be limited under 5 million mu a year.

Wang Xianjin said that the gratuitous use of public land should be changed into compensable use. The users of the vegetable fields in the cities' suburban areas should pay to the state relevant funds for the construction and development of new vegetable fields according to law; and those using the cultivated land should be responsible for reclamation of new cultivated land or pay relevant funds for the reclamation. The users of the public land involving a return benefit should be charged or taxed.

He revealed that after the Land Administration Law is enforced next year, the Chinese-foreign joint ventures, cooperative enterprises, and the enterprises with exclusive foreign investment will be given preferential treatment on the use of land.

China has now a total of 14.4 billion mu of land, but only two-thirds of it is available. Of the existing cultivated land, nearly one-third is low-yield land. However, by the end of this century, China's population will reach 1.2 billion, and each person will consume, on the average, 800 jin of grain. The grain problem is directly related with the land problem. The solution of the latter is an important avenue to the solution of the former, Wang Xianjin said.

ZHAO ZIYANG, LI PENG VISIT GUIZHOU 17-19 NOV

OW220940 Beijing XINHUA Domestic Service in Chinese 0151 GMT 21 Nov 86

[By RENMIN RIBAO reporter Pan Didu, and XINHUA reporter Zhang Chuangeng]

[Text] Guiyang, 21 Nov (XINHUA) -- Premier Zhao Ziyang and Vice Premier Li Peng conducted a study tour of the Lubuge and Tianshengqiao hydroelectirc power stations 17-19 November. While being briefed by leading comrades of the Guizhou Provincial Party Committee, the provincial government, the Qianxinan Bouyei-Miao Autonomous Prefectural CPC Committee, and the prefectural government, Premier Zhao and Vice Premier Li made important suggestions regarding the development of Guizhou's grain production, and its abundant natural resources and manpower.

Zhao Ziyang, Li Peng and their party arrived in Xingyi, seat of Qianxinan Prefecture, by car from the Lubuge Hydroelectric Power Station on the afternoon of 18 November. On their way, they visited the Niubangzi Village in Xingyi County's Wusha Township, and had cordial conversations with the local peasants about their production life. In the evening, they were briefed by Hu Jintao, secretary of the Guizhou Provincial CPC Committee; Wang Chaowen, governor of Guizhou; and leading comrades of the Qianxinan Prefectural CPC Committee and the prefectural government on their economic work this year. Knowing that Guizhou has to import a considerable amount of food grains from other provinces each year, Zhao Ziyang said: Guizhou should have a long-range plan for the development of its food production. Southern China has the tradition of interplanting food grains with trees, and Guizhou should also do this in order to produce more food grains and reduce or eliminate food imports.

When Zhao Ziyang was briefed that Guizhou is ready to develop its economy by developing its abundant mineral and energy resources, he stressed: Guizhou should definitely do so by all possible means. However, Guizhou should keep in mind the local situation and direct its attention to developing small-size industries which require limited investment, such as small coalpits, small mines, small thermopower plants, small hydroelectic power plants, small smelteries, and small chemical fertilizer plants, and other collective and rural enterprises. These small industries will provide jobs to the people in the rural areas. After the peasants' enthusiasm to become well off has been aroused, the road ahead will become broader. When we help the peasants fight poverty, we should address the basic problems. Unless we help them develop their commodity economy and develop the local resources, our help will not be really effective.

Premier Zhao Ziyang and Vice Premier Li Peng also showed great concern for Guizhou's tobacco production. They urged the Guizhou provincial CPC Committee and the provincial government to take positive measures to encourage the peasants' tobacco production. They said: In developing tobacco production, attention must be paid to quality. Low quality tobacco cannot compete on the market. The peasants should be well informed about tobacco production. The relevant departments should actively organize tobacco procurement and not dampen the peasants' producton enthusiasm.

Zhao Ziyang, Li Peng and their party left Guizhou on 20 November after visiting the Tianshengqiao Hydroelectric Power station on 19 November.

Inspect Guangxi 19-25 Nov

OW010540 Beijing XINHUA Domestic Service in Chinese 0857 GMT 30 Nov 86

[By reporter Zhang Zhilin]

[Text] Nanning, 30 Nov (XINHUA) -- Premier Zhao Ziyang pointed out during his inspection tour of Guangxi: Our economic restructuring in 1987 will focus on invigorating enterprises and injecting great vigor into large and medium-sized enterprises. We should seriously tackle the operation mechanism of state-owned enterprises in line with the principle of separating their ownership from the operation power and give them full power over management, which is crucial to invigorating large and medium-sized enterprises.

After their inspection of Guizhou, Premier Zhao Ziyang and Vice Premier Li Peng inspected various parts of Guangxi between 19 and 25 November. From Qianxinan Miao-Bouyei Autonomous Prefecture of Guizhou, their van arrived first in Bose Prefecture of Guangxi. Their inspection covered poor and backward mountainous areas in western Guangxi inhabited mainly by ethnic minorities; the border defense front of southern Guangxi; the autonomous regional capital of Nanning; and such industrial and tourist cities as Liuzhou and Guilin. They had wide contacts with the cadres and the masses and exchanged views with party and government leaders at all levels of the autonomous region and with cadres of some enterprises on many major questions concerning economic construction. During their 3-day-stay in Bose Prefecture, they crossed high mountains and inspected such counties and cities as Longlin, Tianlin, Bose, Tianyang, Tiandong, and Pingguo in the Youjiang Valley. It was late autumn in the southern region amongst green hills, clear waters, dense forests, sugarcane fields, and banana trees; a scene of bumper harvests was everywhere as peasants gathered late rice crops. Premier Zhao Ziyang and Vice Premier Li Peng, repeatedly stopped by peasant families along the road, cordially chatted with the peasants and inquired about their production and life. During discussions with prefectural and county leaders on economic development of mountainous regions, Zhao Ziyang emphasized the necessity to consider local conditions; take advantage of mountain resources; pay serious attention to forestry production; and make great efforts to develop animal husbandry. Zhao Ziyang pointed out: Cropland converted from forestland should be switched back into forestland. However, the switchover may be gradual to prevent strain on grain supply. We may plant trees first, interplant grain with young trees, and stop growing grain when trees develop. In addition to forestry, we should attach importance to development of animal husbandry and promote the breeding of sheep and cattle, including milk cows. He said: In order to develop animal husbandry in a big way, we must pay attention to three things. First, we should transform grassy mountain slopes and pastureland and improve the quality of grass. Second, we should popularize artificial insemination to improve livestock breeds. Third, we should formulate relevant policies to encourage peasants to raise cattle and sheep. Zhao Ziyang pointed out that since the leaders at all levels in southern China still do not attach importance to the development of animal husbandry, we should first make them understand the importance of animal husbandry.

Having visited peasant families, Premier Zhao Ziyang and Vice Premier Li Peng discovered that in outlying rural areas of Guangxi, information facilities are inadequate; economy is underdeveloped; peasant living and public health conditions are poor; and people know little about the importance of commodity production. Zhao Ziyang pointed out: In such places, cadres and party members should pay attention to training some well-educated model persons who know how to manage their undertakings and household affairs, and the mases should emulate them.

Otherwise, the importance of commodity production will not attract the people's attention in rural areas. He called on prefectural and county leaders not to overlook the building of socialist spiritual civilization while paying attention to building material civilization. He also urged the leaders to guide and help the people in changing bad customs and habits and fostering new practices.

During their inspection of Nanning, Liuzhou, and Guilin cities, Premier Zhao Ziyang and Vice Premier Li Peng emphatically investigated some large and medium-sized enterprises, including the Nanning Plate Glass Plant, the Nanning Silk Spinning Mill, the Liuzhou Iron and Steel Mill, and the Liuzhou Knitting Mill. They held discussions with leaders of local party and government organizations and responsible persons of enterprises on how to inject greater vigor into enterprises; how to handle the relationship between China's eastern and western regions; and questions concerning our economic growth rate. Zhao Ziyang emphasized during the discussions that our economic restructuring next year will focus on invigorating enterprises and injecting greater vigor into large and medium-sized enterprises. He said: As a result of reforms, small enterprises, collective enterprises and private enterprises have become more vigorous. Currently, state-owned large and medium-sized enterprises are not as vigorous as collective and small enterprises. This is indeed a problem. In order to invogorate large and medium-sized enterprises, our most fundamental tasks are to tackle the operation mechanism of state-owned enterprises in line with the principle of separating their ownership from the operation power; let enterprises and their managers have power, bear responsibilities, and enjoy their profits; and gradually given them full operation power. The current problem is that enterprises are responsible only for their profits and not for their losses. They will choose to be on their own or to "eat from the same big pot" of the state depending on which is more to their advantage. Such practice makes it impossible for them to be full of vitality.

Zhao Ziyang stressed: The question of relationship between the eastern and western regions of our country is a noteworthy issue. Without a developed eastern part, there will be no support for the development of the West. Yet it is a mistake not to develop the West until everything has been done well in the East. On the other hand, it is empty talk to develop the West without developing the East. For this reason, the work of developing the West can only be carried out gradually in a step-by-step manner. He added: Everyone aspires for accelerated development, and this aspiration is understandable. However, if every part of our country is to fulfill such an aspiration, then there is the question of whether we have the capability to bear the financial and material burdens. Both capital construction and technological upgrading require funds and materials. The important principle is that our work should be commensurate with our financial and material resources.

Zhao Ziyang said: If you travel across the country, you will see that large-scale construction is under way everywhere from east to west and north to south. The construction work is noticeable in both scale and speed. We should pay attention to problems stemming from overheated speed of construction. In recent years, our economy has developed at an average annual growth rate of 7-8 percent, a rate that few countries in the world can long maintain. In the days to come, as long as we work in a down-to-earth way to maintain this growth rate and, at the same time, pay attention to the economic benefits of our work, China will have bright prospects.

On this 7-day inspection tour, which covered more than 1,300 km, Zhao Ziyang and his party inspected the preliminary work for the construction of the Pingguo Aluminum Plant and visited the former site of the Red 7th Army Headquarters established in the wake of the Bose Uprising led by Deng Xiaoping, Zhang Yunyi, and others. They also inspected and visited some schools and an experimental mango farm.

Chen Huiguang, secretary of the Guangxi Zhuang Autonomous Regional Party Committee, and Wei Chunshu, chairman of the autonomous region, accompanied Premier Zhao Ziyang and Vice Premier Li Peng on their inspection tour to various parts of the region.

Inspect Yunnan Development

HK250342 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 24 Nov 86

[Text] According to YUNNAN RIBAO, while inspecting Yunnan recently, Premier Zhao Ziyang and Vice Premier Li Peng showed great concern over economic development in the province. They expressed the hope that comrades in Yunnan would adhere to the policy of reform and opening up; proceed from local conditions; give full play to the province's strong points in mineral and energy resources; firmly grasp agricultural development; invigorate Yunnan, bring benefits to the people, and make contributions to the country.

Upon their arrival in Luliang county on the afternoon of 17 November, Zhao Ziyang, Li Peng and their party, accompanied by Provincial Party Committee Secretary Pu Chaozhu and Governor He Zhiqiang, met with some 700 cadres at the county, district, and township levels in the county and enquired cordially about the production and daily life of the local peasants.

Luliang County is the commodity grain production base in the province. Over the past few years the county has rapidly developed production and people's livelihood has improved gradually. The per capita annual income of the county exceeded 400 yuan. However, commodity economy has not developed quickly there. Zhao Ziyang said: Farming can also enrich peasants. We must replace our old ideas with new ones, broaden our thinking, study the market, attach importance to information, open up to other areas, and develop commodity economy and diversified economy, including farming, and processing industry. Provided that we achieve this and enliven circulation, there will be bright prospects for agricultural development.

On the afternoon of 17 November, Zhao Ziyang and Li Peng, accompanied by He Zhiqiang, drove to the (Lubuge) power station. That evening, in spite of fatigue after the journey, they listened with interest to reports by He Zhiqiang and responsible comrades of the relevant provincial departments on economic work in the province and tentative ideas on economic development in the province during the Seventh 5-Year Plan.

The leading comrades of the State Council gave important opinions on how to exploit the province's strong points in mineral and energy resources and other problems. Zhao Ziyang emphatically pointed out that Yunnan is different from coastal areas and has strong points in mineral and energy resources. We must fully exploit the strong points in connection with local reality and develop more small hydropower and thermopower stations which require little investment yet can achieve economic results quickly. With the development of power industry, it is possible to develop the power-consumption industry, such as small-scale mining industry, and the smelting of nonferrous metals, [words indistinct], the building materials industry, the chemical industry, and the coal chemical industry. All these can be carried out by the province with assistance from the state. We should first grasp several counties to make exploration gradually. After gaining some experiences, we should develop from small ones to large ones with our own efforts and strength. In this way, the masses can be aroused, township enterprises will be enlivened, and the peasants will take a broad road in getting rid of poverty and becoming rich, and in developing the commodity economy. Coastal and interior areas each have a role to play. This cannot only benefit the people, but can contribute more to the country.

HEFEI UNIVERSITY IN ANHUI ACCEPTS STUDENT DEMANDS

HK150104 Hong Kong HONGKONG STANDARD in English 15 Dec 86 p 1

[Text] Beijing: Officials at a university in the Chinese provincial capital of Hefei have accepted student activists' demands for a say in the election of student representatives to the provincial legislature, an official said yesterday.

In Beijing, student sources said activists who put up posters urging democratic reforms had been asked by officials not to stage any demonstrations.

Fang Lizhi, vice president of the Science and Technology University in Hefei, the capital of Anhui province, said by telephone that more than 1,000 students at the university staged a demonstration on December 5, four days before a larger one in Hefei by 3,000 students from other universities.

Fang said the students demanded a say in choosing student representatives to the provincial People's Congress, or legislature, and officials agreed.

"The students' requests were very correct," he said.

The demonstrators were unhappy about nomination procedures for candidates, saying they were not consulted on the choices, and nomination was not done properly or democratically, he said.

The election was scheduled for December 8, but has been postponed until December 29, he said.

Meanwhile Beijing University was quiet yesterday with students able to see only one of several controversial posters calling for more democracy.

The main poster, repeatedly put up and torn down since it was first raised on Thursday night, was signed "Warriors of Democracy" of the China University of Science and Technology in Hefei.

It called on people to fight for democracy and said the People's Republic of China existed to serve all the people, not only a small group of people.

ANHUI RADIO ON RURAL PARTY RECTIFICATION

OW111408 Hefei Anhui Provincial Service in Mandarin 1100 GMT 5 Dec 86

[Station commentary: "Enhance Understanding and Strenghen Leadership"]

[Text] Party rectification at the village level is being unfolded in our province in an all-round way. Many county party committees have earnestly shouldered full responsibility for guiding the village-level party rectification in accordance with the requirements set by the central and provincial party committees. However, leading comrades of some local party committees have not paid adequate attention to this work. This situation must be changed immediately.

Party committees at all levels, especially leadership at the county level, must, by studying the resolution of the sixth plenary session of the CPC Central Committee, properly handle the relationship between attending to economic work, vocational work, and party building, and have a profound and far-reaching understanding of the importance and significance of village-level party rectification in enhancing the fighting power of rural party branches; in improving the ideological and political quality of rural party members; in effecting a turn for the better in party and social conduct; in ensuring the deepgoing and healthy development of rural reforms and greater prosperity of the rural economy; and in promoting the two civilizations in the countryside. Party rectification is an important policy issue. Its scale is large, its range wide, the task is heavy, and time is pressing. Party committees at all levels must concentrate their energy and some time to earnestly attend to village-level rectification to ensure success.

FOREIGN INVESTMENT OFFICE SET UP IN SHANDONG

HK150620 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0301 GMT 15 Dec 86

[Text] Qingda, 15 Dec (ZHONGGUO XINWEN SHE) — The office for foreign investment-related work, an organ with the power to make decisions on acquisition of foreign investment, was set up recently in Qingdao City, Shandong Province. Thus, from now on, this office is to be the sole organisation handling all affairs relating to foreign investment. In the past, a foreign investor had to deal with dozens of organizations and go through dozens of formalities, ranging from the selection of projects to the signing of contracts. Now the whole procedure can be completed once and for all by a sole agency. Many foreign businessmen have come to Qingdao City to explore the possibility of cooperation and to have trade talks since the city was further opened up. This year, so far the work efficiency has remained very poor as the administrative structure has failed to keep up with the development. Now the Qingdao City office for foreign investment-related work has set up a special body composed of personnel from the planning, economic, foreign trade, and urban construction departments to answer all inquiries about investment from foreign firms, to attend to all kinds of formalities relating to foreign investment projects ranging from the selection of projects to the signing of contracts, and to assist foreign investors in solving problems regarding the construction of plants as well as production operation.

ZHEJIANG'S JIAXING ON FAVORABLE TERMS FOR INVESTORS

HK120614 Beijing CHINA DAILY (JIAXING SUPPLEMENT) in English 12 Dec 86 p 2

[By the Jiaxing Office for Economic Relations and Trade]

[Text] We warmly invite people from circles at home and abroad to Jiaxing to discuss economic and technological co-operation, to open factories and begin commercial businesses. We will offer preferential treatment on the basis of equality and mutual benefit:

— Foreign investors who run enterprises concerned with energy resource, transport, port construction or technology or whose investment amounts to over $30 million shall be allowed a 15 per cent reduction in income tax and they shall be exempt from remittance tax.

— A newly established joint venture scheduled to operate for a period of 10 years or more shall be exempt from income tax in the first two profit-making years and allowed a 50 percent reduction in the following three years. The local income tax of the joint ventures, cooperative and foreign-owned enterprises shall be reduced according to the circumstances.

-- Foreign investors will be allowed a 20 per cent reduction in income tax if they run joint ventures, cooperative or wholly foreign-owned enterprises in the city proper of Jiaxing and Haining County and its Xiqiao and Changguang towns. Tongxiang County and its Puyuan, Chongfu and Wuzhen Towns, and Jiashan County and its Xitang Town, or if they invest directly in agricultural, forestry, and animal breeding and the processing trades in the suburbs and the rural area of Haining, Togxiang and Jiashan counties.

-- A foreign partner in a joint venture that reinvests its share of profits in China for a period of not less than five years, instead of remitting it out of China, shall not only be exempt from the income tax, but also obtain a refund of 40 per cent on income tax already paid on its reinvested portion.

-- Sino-foreign joint ventures, cooperative and wholly foreign-owned enterprises shall be exempt from customs duty and import surtax on invested machinery and equipment, building materials and raw materials, spare parts and packaging materials used for producing export products.

-- A considerable part of the products which are manufactured with foreign investors' advanced technology and equipment and can be received domestically in place of import goods can be sold in China.

-- Foreign entrepreneurs, who run joint ventures and co-operative or wholly foreign-owned enterprises will enjoy preferential treatment on land usage.

The export of the products manufactured by the above enterprises (excluding State confined export goods) will be exempt from export duty and unified industrial and commercial tax. We will, in accordance with the regulations on foreign economy, also safeguard the lawful rights of such investors.

Our major projects planned for joint venture, co-operation and the compensation trade are:

1. To build the Jiaxing United Textiles Mill. Annual output of silk, linen, wool and blend fabrics will be 10 million metres. Total investment: $31.25 million.

2. To extend the Jiaxing Silk Garment Factory. Annual output: 850,000 silk garments. Total investment: $625,000.

3. To extend the Jiaxing Art Lamps Factory, using glass instead of plastic in the production of lamps. Total investment: $800,000.

4. The Jiaxing Printed Circuit Board Factory. Annual output: 22,000 square metres of double-sided metallized holed printed circuit board and multi-layered printed circuit board. Total investment: $2 million.

5. The Minfeng Paper Mill. Annual output: 9000 tons of special grade writing paper. Import waste paper ink-voiding equipment. Total investment: $580,000.

6. The Jiaxing Automobile Standard Element Factory. Annual output: 300 tons of high-strength automobile standard parts. Total investment: $400,000.

7. The Jiaxing Pharmaceutical Factory. Annual output: 600,000 boxes of oral tonic medicine. Total investment: $350,000.

GUIZHOU PARTY VIEWS IN SPIRITUAL CIVILIZATON

HK130810 Guiyang Guizhou Provincial Service in Mandarin 0200 GMT 11 Dec 86

["Text" of "Views of the Guizhou Provincial CPC Committee on Stepping up the Building of Socialist Spiritual Civilization During the Seventh 5-Year Plan"]

[Excerpts] The views of the Guizhou Provincial CPC Committee on stepping up the building of socialist spiritual civilization during the Seventh 5-Year Plan:

The resolution of the CPC Central Committee on the guiding principles for building socialist spiritual civilization is a programmatic document on stepping up the building of socialist spiritual civilization of our country in the new historical period. With a view to seriously implementing the resolution, the provincial party committee has put forward the following views on the building of spiritual civilization of our whole province during the Seventh 5-Year Plan:

1. Proceeding from Guizhou realities, seriously implement the resolution:

In building spiritual civilization of our whole province during the Seventh 5-Year Plan, it is necessary to link the guiding principles of the central authorities with the practical situation of Guizhou, to proceed vigorously and rhythmically, to keep an eye on construction, to stress unity and implementation, and to attach special importance to the actual effect.

The Seventh 5-Year Plan is an important period in which our province will invigorate its economy and change its poor outlook. Proceeding from the plane of the overall arrangements for socialist modernization, we must penetratingly understand the strategic postition of the building of spiritual civilization, give full play to the role of spiritual civilization as a spiritual motive force for building material civilization, as support of intelligence, and as an ideological guarantee. All aspects of the work of building spiritual civilization must be carried out, centered on economic construction so that it will be beneficial to the completion of the Seventh 5-Year Plan, to the development of the commodity economy, to the invigoration of Guizhou, and to the enriching of the people.

During the Seventh 5-Year Plan, our province must basically lay a foundation for a new-style socialist economic structure, carry out reform of the political structure in a guided and planned way, and ensure a more vigorous economic and cultural opening to the outside world. In building spiritual civilization, it is essential to meet these needs, to adhere to the four basic principles, to guarantee the smooth progress of reform, to develop contacts and cooperation with places at home and abroad, and to ensure that the building of spiritual civilization and all-round reform and opening to the outside world will be coordinated with and promote each other. It is imperative to strive to improve the ideological, moral, scientific, and cultural quality of the people of all nationalities. This is especially urgent in our province. According to the requirements of the basic tasks of the building of spiritual civilization, we must step up education in ideals, morality, democracy, the legal system, and discipline so that the ideological consciousness and mental state of the masses can vigorously change. We must fully arouse the enthusiasm of the province, prefectures, autonomous prefectures, cities, counties, and all levels; ensure that the state, collectives, and individuals will step up this work simultaneously; and guarantee in policy and finance that education, scientific, cultural, and other causes will further develop.

Our province is multinational and its economy and culture are backward. All places have developed very unevenly. In the light of the material conditions and the masses' requirements of different nationalities, different places, different sectors, and different units, we must carry out our tasks in order and by stages and apply various methods. We must be good at distinguishing the order of importance and urgency and concentrate our limited financial and material resources to do well those matters whose effect is good and functions great. We must oppose formalism, strictly prohibit the practice of fraud, and do several practical things every year.

2. Establish new concepts to suit the new situation:

The transformation of ideology and concepts is the precursor of the transformation of society. It is essential to regard the promotion of the transformation of concepts as an important content of the building of spiritual civilization. Centered on reform and opening up, we must further emancipate our mind. We must gradually form a force of public opinion, a concept of value, cultural conditions, and social environment that are beneficial to reform and construction.

To establish the concept of the socialist commodity economy, we must fully understand that the development of the commodity economy is a necessary stage for the development of the social economy. To change the poor outlook, it is necessary to vigorously develop the commodity economy. Through the provisions of the policies, through propaganda and education, and through practical demonstration, we must encourage people to get rich through hard work. We must allow some places, some enterprises, and some people to get rich first to enable the cadres and the masses to establish gradually the concepts of value, market, competition, information, time, education, and reputation which are necessary for developing the commodity economy. We must do away with the concepts of egalitarianism, centralized procurement, exclusive right to sell, looking down on commerce, distrusting businessmen, self-sufficiency, closed-doorism, and conservatism formed under the conditions of the natural economy and the product economy and get rid of the leftist influence of looking down on the collective and individual economy.

It is imperative to establish the concepts of socialist democracy and the legal system. The influence of feudal ideology is a big obstacle to reform and construction of our province. Through the legal codes, the guarantee of the system, restriction by discipline, propaganda, and education, we must strengthen the socialist citizens' idea of the cadres and the masses and their concept of democracy; arouse the enthusiasm of all quarters to oppose and overcome decadent feudal ideas, including the patriarchal concept, the idea of privileges, autocratic work style, the formation of factions and cliques, and the regarding of men as superior to women; oppose and overcome decadent bourgeois ideas; and prevent and resist the ideas and actions of benefiting oneself at the expense of others, seeking private gain at public expense, money first, taking advantage of power to pursue private ends, swindling, and blackmail.

We must establish the concept of respecting science and qualified personnel. In the light of the actual situation in backward science and culture of urban and rural areas of our province, particularly rural areas, we must attach importance to the publicity of and education in materialism and atheism and to the popularization of advanced productive technology and knowledge of operation and management and teach the masses to get rid of their own mental and ideological burdens and to struggle conscientiously against feudal and superstitious practices in the course of protecting legitimate religious activities.

Through the formulation and perfecting of relevant policies, we must disseminate the important role of knowledge and qualified personnel in the course of building two civilizations. We must cultivate the good habits in the whole society so that everybody fervently loves science, attaches importance to education, pursues knowledge, and respects qualified personnel. We must establish new concepts of encouraging people to blaze new trails and to become conspicuous, of boldly selecting and employing able and virtuous persons, and so on. We must effectively break with the outmoded concepts of resenting able and virtuous persons, demanding perfection, possession of able and virtuous persons by departments because of their own wealth, and so on.

Cadres must take the lead in establishing new concepts. Through investigation, study, and summing up historical experiences, party and government leadership organs and working departments at and above the county level must investigate to find out the main ideological obstacles to reform, construction, and development of their own places and departments and take measures in many forms to help cadres establish new concepts and first to establish the concept of the socialist commodity economy. [passage omitted]

Leading cadres must vigorously plunge into reform, be bold in exploration, and resolutely support advanced figures who are bold in overcoming outmoded concepts, blazing new trails, and forging ahead. We must establish new concepts in the course of practice and use new concepts to impel the development of realities.

3. Mobilize and unite people of all nationalities throughout our province with a common ideal:

In education on ideals, our province must link the common ideal of all people throughout our country with the target of struggle for invigorating Guizhou and enriching the people; with the construction tasks of our own places, departments, and units; with the duties of all posts; and with the needs of people's lives and encourage people of all nationalities to arouse their enthusiasm, strengthen their conviction, work hard, blaze new trails, and keep forging ahead.

Invigorating Guizhou and enriching the people embodies the common interest and desire of the people of all nationalities of our province. Under this common target, we must consolidate and develop the unity of all nationalities; strengthen unity of and cooperation with all democratic parties, nonparty democratic persons, and patriotic figures of various circles; mobilize all positive factors; and take all measures in many forms to extensively publicize Guizhou's history, changes, and prospects for development. [passage omitted]

According to the requirements for invigorating Guizhou and enriching the people, all places, departments, and units must formulate and carry out by stages their own targets of development. Enterprises must regard management, upgrading, and all-round improvement of quality as the center, continue to increase production and income, sum up and carry forward their own glorious traditions, cultivate good enterprise spirit, and teach workers to fervently love their work and show concern for the development of the enterprises by way of pursuing their ideals. Rural areas must continue to regard increasing income and getting rich as the center and really do well in grasping three links -- discussion of plans, implementation of measures, and inspection, assessment, and comparison -- so that all peasants can feel from their personal material benefit the superiority of socialism and practical nature of ideals. People of all nationalities must contribute at their own posts toward invigorating Guizhou and enriching the people. [passage omitted]

All places, departments, and units must promptly discover and sum up the experiences of advanced elements who score outstanding achievements and commend and reward them.

Education in ideals must first be conducted for young people and juveniles. It is necessary to step up education in the situation, policies, revolutionary traditions, patriotism, socialism, and internationalism. [passage omitted]

4. Cultivate good morals and customs:

Education in morals of our province must be extensively conducted. While advocating communist morals, we must conduct education in loving our motherland, loving the people, loving labor, loving science, and loving socialism. We must lay emphasis on fervently loving Guizhou, the collective, and our own work; encourage people to carry forward the socialist collectivist spirit of integrating the interests of the state, collectives, and individuals; build and develop new-style socialist relations among the people on a egalitarian, united, fraternal, and mutual aid basis. We must vigorously step up the building of professional ethics and work hard to provide service of superior quality. Cadres of party and government leadership organs at all levels must be just, honest in performing their official duties, loyal, enthusiastic, and wholeheartedly serve the people. It is essential to oppose bureaucratism, the practice of fraud, and the taking of advantage of functions and powers to pursue private ends. All trades and professions must gradually establish their own codes of professional ethics, build the system of personal responsibility and put it on a sound basis, perfect regulations or pacts on service, and impose and correct sectoral malpractices. [passage omitted]

We must carry forward the spirit of socialism humanism and establish good social morality. We must vigorously advocate the spirit of taking the interests of the whole into account, being honest, keeping our promise, helping each other, showing fraternal love, and helping the poor. On the basis of economic development, we must develop social welfare work. [passage omitted]

We must protect the legitimate rights and interests of women and children and resolutely oppose marriage at an immature age, arranged marriages, and mercenary marriages and prohibit bigamy, abduction of women, and abandonment of baby girls.

It is imperative to advocate a civilized, healthy, and scientific way of life and to change customs and habits. In the course of developing education, science, and culture, we must disseminate a matter-of-fact attitude and spirit of scientific innovation, overcome outmoded conventions and bad customs, and advocate that weddings be held in a new way and funeral ceremonies in a simple way. [passage omitted]

We must advocate growing trees, grass, and flowers and greening, beautifying, and purifying the environment.

In building morals, we must also pay special attention to respecting the healthy customs of all nationalities and establish new-style relations among nationalities. To change the bad customs of nationalities, party and CYL members and advanced elements of the nationalities must take the lead in doing this work and we must allow the masses to do this work by themselves.

5. Step up education in socialist democracy, the legal system, and discipline:

Leadership organs at all levels must strive to ensure that policy decisions are formulated in a democratic and scientific way. All party organizations and party members must work within the scopes of the Constitution and the laws. Leading cadres at all levels must consistently listen to the masses' criticisms and views in a democratic way and conscientiously accept their supervision. [passage omitted]

According to the needs of the political, economic, and cultural development, we must gradually formulate and perfect local economic and administrative laws and regulations that conform to Guizhou realities, formulate and enforce regulations on the exercise of autonomy and specific regulations for the places where nationalities exercise autonomy, and really do well in popularizing the law. We must first popularize the law among cadres at and above the township and town levels and really guarantee that the province's 5-year plan for popularizing the law is completed. Party committees at all levels must guarantee that judicial organs can independently exercise their functions and powers according to the law and support and help judicial organs to gradually improve their working conditions and measures. Judicial organs and their working personnel must conscientiously accept the supervision by party organizations and the masses, step up building themselves, improve their quality, be devoted to their duties, and enforce the law impartially. All state working personnel must take the lead in studying and abiding by the law, strive to ensure that everyone is equal in the face of the law and discipline, create a democratic and harmonious atmosphere in all spheres of social life, and establish a habit of acting according to the law. All trades and professions must step up education in discipline and guarantee and impel the penetrating development of economic construction, reform, and opening up. Party members must act as models in observing party discipline, cadres must strictly abide by government discipline, and all people throughout our province must understand labor discipline, working discipline, study discipline, and social discipline which are directly related to themselves. [passage omitted]

We must continue to give play to the role of political and legal organs in protecting the people, striking blows at the enemy, punishing criminals, and serving the four modernizations. We must crack down on all hostile elements who sabotage the socialist system, severely punish serious criminals and serious economic criminals according to the law, resolutely prohibit and ban unlawful practices, including prostitution, gambling, drug taking; and dissemination of obscene videotapes, books, and publications; and work hard to achieve the continuous and steady improvement of social order.

6. Step up the work of education and science:

Education, science, and technology is, on the whole, a focal point of socialist modernization as well as a basic important matter in invigorating the economy and Guizhou and enriching the people. We must work hard to increase investment, improve conditions, and enhance benefits so that the work of education, science, and technology of our province can more greatly develop during the Seventh 5-Year Plan. Adhering to the principles of seeking truth from facts, recognizing discrepancies, working out an overall plan, and giving guidance according to different categories, we must seriously enforce the law of compulsory education. During the Seventh 5-Year Plan, six cities and districts, including Guiyang, and some towns must basically popularize the system of 9-year compulsory education and basically eliminate illiteracy among young people and juveniles.

Over half of the counties throughout our province must basically popularize primary education, the rate of school age children attending school must reach 90 percent and above, and the rate of illiterate young people and juveniles must drop to 25 percent and below. Remote border areas and poor areas must take special measures to gradually conduct compulsory primary education to ensure that the number of illiterate persons will not further increase.

It is necessary to continue to readjust the secondary education structure and to develop all kinds of vocational and technical education in many forms, at all levels, and in many areas. In the light of the needs of economic and social development of all places, it is essential to run well the existing vocational and technical schools of all kinds; to give additional vocational and technical subjects or to run additional vocational and technical courses in general middle schools; to encourage all departments, enterprises, and institutions to run vocational and technical schools; and to work hard to ensure that people can receive training first and take up employment later.

It is imperative to push forward reform of higher education, to give play to the potential of the existing institutions of higher learning, to readjust the design of special fields of study, to increase and update teaching equipment and living facilities, to carry out scientific research, and to improve teaching quality. We must straighten out the system of adult education management, regard in-service training as the key point, and seriously conduct adult higher education and adult secondary professional education well. We must develop radio, television, correspondence, and external education and vigorously start postgraduate education. It is necessary to attach special importance to the building of the ranks of teachers. [passage omitted]

It is imperative to vigorously push forward reform of the scientific and technological structure and to further promote the integration of science and technology with the economy. We must give full play to the potential of our existing scientific and technological force; arouse the enthusiasm of scientific and technological management departments at all levels, of societies, of associations, and of research institutes; and apply the scientific and technological advantages of military industrial enterprises to do a good job in cooperation and coordination with scientific research departments. We must strive for a breakthrough in important projects and in research.

It is essential to develop the technological market and trade in technological achievements to promote production and commercialization of scientific and technological achievements. We must encourage and help scientific research personnel to flow rationally and hold part-time jobs after their regular work. We must encourage people to contract for providing scientific and technological service and scientific and technological personnel to contract for operating or to operate collective enterprises and township enterprises and to set up joint-stock enterprises or individual enterprises in urban and rural areas.

It is necessary to continue to popularize science. [passage omitted] We must vigorously carry out the spark plan and do a good job in applying science and technology to help poor areas promote production to make them get rich. We must help township enterprises and collective enterprises resolve crucial technological problems. We must run well all kinds of short-term technological training courses and pay special attention to providing technological training for educated young people returning to rural areas and for demobilized and retired servicemen. We must train more technologists for urban and rural areas.

It is essential to attach importance to and step up study of philosophy and social sciences. Centered on economic construction, we must substantiate and readjust the province's Seventh 5-Year Plan for study of philosophy and social sciences, step up the building of theoretical ranks, improve the conditions for theoretical study and for the development of lateral ties, and arouse the enthusiasm of theory workers of all quarters. We must advocate the integration of social sciences with natural sciences. [passage omitted]

7. Speed up the development of culture, public health, and physical culture:

To vigorously and systematically change the backward situation in the cultural facilities of our province, our province will build key cultural facilities, including Guizhous Stadium, a provincial library, a provincial nationality culture palace, and a provincial publication and distribution building, during the Seventh 5-Year Plan. On the tourism hot lines, we must build special topic display halls and rooms with nationality characteristics. We must set up a Guizhou Physical Culture Invigorating Foundation and Guizhou Literature and Art Foundation and reward players, coaches, and outstanding literature and art workers who win honor for our province and country. All places must give play to the role of the existing cultural facilities and attach importance to the building of grass-roots cultureal facilities. Proceeding from realities, counties, townships, and towns must make unified arrangements for the relevant funds appropriated by departments at the provincial level and build places of multifunctional scientific, technological, and cultural activities. We must stress the development of modern dissemination measures, further improve the conditions for making radio and television programs, strengthen ability to make the programs, apply advanced technological measures, such as a satellite, to improve the quality of transmitting and receiving programs, and gradually extend the broadcasting time. We must strive to make the rate of radio coverage exceed 50 percent of the population and the rate of television coverage exceed 70 percent of the population. GUIZHOU RIBAO, other newspapers, and journals must increase the amount of information, improve measures for covering news and editing and editing quality, and increase their distribution. [passage omitted]

We must seriously carry out reform of the structure of full-time art performance groups, vigorously support and develop cultural specialized households, discover and sort out nationality and folk literature and art, protect cultural relics, and develop cultural exchanges and cooperation with foreign countries. Publishing departments must improve the quality of books, strengthen book market management, and apply new printing technology to shorten the period of publication. We must step up the distribution of films. [passage omitted]

We must develop medical and public health work. We must continue to implement the principle of regarding prevention as the main work and basically control infectious diseases, parasitic diseases, and local diseases. We must continue to launch the mass public health drive, improve urban and rural environmental hygiene, solve the problem of drinking water for 1.5 million to 2 million people, and gradually improve the sanitary conditions of drinking water for townships, towns, and rural areas. [passage omitted]

We must carry out planned parenthood, advocate one birth, and curb additional births. During the Seventh 5-Year Plan, our whole province must control the natural population growth rate within 11.5 per thousand, vigorously improve rural medical and public health conditions, and step up the building of country, district. amd township medical and public clinics. All medical and public health units must improve the quality of service and prevent medical incidents.

All levels and departments and people of all nationalities must devote their energy to the change in the backward outlook of our province's physical culture. [passage omitted]

We must stress sports in schools and among workers and the traditional nationality sports; implement the principle of fostering the strong points, circumventing the weak points, and giving prominence to the key points; run sports teams well; promote the favorable sports item of our province; and strive to score relatively good achievements. We must respect and protect the creative labor of education, science, and culture workers, improve their working and living conditions, reward those who make outstanding contributions, make them take an active part in offering advice and formulating policy decisions, pay attention to selecting the outstanding elements of them who have leadership ability, promote them to leadership posts at all levels, and teach science and culture workers to work hard to improve their professional quality. [passage omitted]

8. Extensively launch the drive to create civilized units:

Building civilized units is a specific way to enable the grass-roots to build two civilizations as well as an effective form of improving and stepping up ideological and political work. Urban and rural areas must seriously sum up experiences of recent years and really do well in grasping the creation of civilized units. In rural areas, it is necessary to extensively launch the drive to create civilized villages and towns. [passage omitted]

In cities and county seats, it is essential to universally launch the drive to create civilized units. According to the different characteristics of all trades and professions, we must regard economic results, social benefit, working efficiency, party style and discipline, professional ethics, [words indistinct] environment, and safety as the contents, and formulate a criterion for building civilized units. Proceeding from their own actual situation, all organs, schools, streets, road, enterprises, and institutions must determine the key points of currently building civilized units. [passage omitted]

Launching the drive of 5 good families is a part of the building of urban and rural civilized units. We must lead the masses to establish a good custom of democracy, harmony, abiding by discipline and the law, and vigorously forging ahead. To create civilized units, all levels and departments and all quarters of society must carry out their duties and go into action in coordination. [passage omitted]

9. Step up the building of party organizations and give play to the vanguard and exemplary role of party members:

Party organizations at all levels must begin with straightening out party style, step up the building of their own spiritual civilization, and, according to the principle of the necessity of being resolute and sustained, persistently ensure that the whole party will straighten out party style. We must oppose and correct unhealthy trends and investigate and deal with big and serious cases. We must step up education in party spirit, style, and discipline for party members to improve their quality. We must complete party rectification work well from start to finish, consolidate and develop the fruits of party rectification, put the political life of party organizations on a sound basis, step up the building of grass-roots party organizations, particularly rural grass-roots party organizations, reform and perfect the party's organizational and working systems, establish the supervisory system inside and outside the party, and put it on a sound basis. (passage omitted]

To meet the needs of the new period, all levels and departments must step up and improve ideological and political work, building a crack ideological and political work force, show concern for their livelihood and work, and help them enhance their ideology and professional levels.

All party members, particularly party member leading cadres, throughout our province must give play to their own vanguard and exemplary role in the course of building spiritual civilization with their own practical deeds. They must ensure that they will work hard, are eager to learn, will make progress, will not indulge in idle talk, will do more practical work, will persistently carry out reform, are bold in blazing new trials, will uphold the interests of the masses, will lead the masses to get rich through hard work, will abide by discipline and the law, and will struggle against unhealthy trends and unlawful practices. We must conduct education for rural party members in a planned way to heighten their ideological and moral quality and their ability to develop commodity production. We must organize them to take the lead in buildng two civilizations.

In accordance with their own characteristics, the mass organizations, including trade unions, the CYL, and women's federations, must vigorously carry out all kinds of activities and in the course of building spiritual civilization and give play to their role in uniting, organizing, and educating the masses. PLA units and armed police units stationed in our province are an important force in building spiritual civilization In building spiritual civilization, they must carry forward their excellent traditions and work hard to make contributions.

In accordance with the above-mentioned views, in the future, the provincial party committee will make specific arrangements every year. In the light of their own actual situation and characteristics, the party organizations of all places, departments, and units must put forward their specific targets for building spiritual civilization and really achieve their targets.

SICHUAN LEADER ON SPIRITUAL CIVILIZATION ISSUES

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[Excerpts] According to SICHUAN RIBAO, provincial CPC Committee Secretary Yang Rudai stressed in his speech to participants in a provincial meeting of country party committee Propaganda Department chiefs that there are two main things to be grasped in building spiritual civilization: 1) To change outdated concepts and to establish concepts that correspond to reform, opening up, and the development of socialist commodity economy; 2) grasp practical and feasible targets and measures. It is extremely important to establish new concepts in the new period. [passage omitted]

On firming up practicle and feasible targets and measures, Comrade Yang Rudai stressed two points: 1) We must do a good job of education in professional responsibilities, ethics, discipline, and ability. This education should be focused on the party and government organs at and above country-level, and first on the provincial organs, and next on the departments and units that provide services for the masses' daily life. 2) We must do a good job in building cultural facilities, promote a variety of social cultural activities at various levels, and strive to create excellent cultural conditions and environment for improving the quality of people.

The propaganda departments and the political work cadres at all levels must care for, support and take part in the masses' cultural, entertainment, and sports activities. [passage omitted]